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Report  
of the  
Royal Commission  
on  
Metropolitan  
Toronto



**Metropolitan Toronto  
A Framework  
for the  
Future**



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Metropolitan Toronto: A Framework for the Future

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The Royal Commission on  
Metropolitan Toronto

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VOLUME 1

# **Metropolitan Toronto A Framework for the Future**

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Honourable John P. Robarts, P.C., C.C., Q.C.  
Commissioner

June 1977



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15 June 1977

Her Honour  
The Lieutenant Governor of  
the Province of Ontario

May it Please Your Honour:

By a Commission issued under the authority of The Public Inquiries Act, Revised Statutes of Ontario, 1970, Chapter 379, and in accordance with the terms of Order-in-Council O.C. 2365/74, dated 10 September 1974, Your Honour appointed me to examine, evaluate and make appropriate recommendations on the structure, organization and operations of local government within the Metropolitan Toronto area.

I have completed the inquiry and beg leave to submit to Your Honour the following report.

Your obedient servant,

A handwritten signature in cursive script that reads "John P. Robarts".

John P. Robarts -





Michael Foster



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# Terms of Reference

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Copy of an Order-in-Council approved by Her Honour the Lieutenant Governor, dated the 10th day of September, A.D. 1974.

Upon the recommendation of the Honourable the Premier, the Committee of Council advise that pursuant to the provisions of The Public Inquiries Act, a Commission be issued appointing

The Honourable John P. Robarts, Q.C.,  
London

as Commissioner, designating him as The Royal Commission on Metropolitan Toronto empowered and instructed to:

- (I) Examine, evaluate and make appropriate recommendations on the structure, organization and operations of local government within the Metropolitan Toronto area, including all municipal governments, boards and commissions and without precluding the consideration of a single or two-tier form of government, to make specific reference to the following:
  - (a) the present anticipated future social and economic conditions including population and economic growth patterns, and the resource and service requirements of the municipalities;
  - (b) the appropriateness of the boundaries of the Metropolitan area municipalities, with particular reference to population pressures (e.g. growth, density, mobility and stability), community of interest, administrative effectiveness, socio-economic interdependencies and the geographic, demographic and institutional constraints existing within the study area;
  - (c) the appropriate division of responsibilities and functions and the arrangements among:
    - (i) the Province and the system of local government operating within the study area;
    - (ii) Metro and the area municipalities, including the possibility of the delegation of greater authority to the area municipalities;
    - (iii) Metro and the area municipalities and all local boards and commissions;
  - (d) the selection of the Chairman of the Council of Metropolitan Toronto, and the selection and roles of committee chairmen and their relationships to the members of municipal councils;
  - (e) the roles and functions of the heads of councils in the discharge of their responsibilities within the system of Metropolitan and local government;
  - (f) the organization of municipal councils and their committees, including

Executive Committees, other committees and Boards of Control, with particular reference to roles and systems of policy-making and implementation;

- (g) the system of administration and the relationship of the administrative organization to the municipal councils and committees of council in the development and implementation of policies in the Metropolitan area;
  - (h) the appropriate system of representation as it applies to local government in the Metropolitan area;
  - (i) the relationship between the members of municipal councils and the electorate and the residents of the Metro area, with specific regard for the requirements of responsive local government decision-making and the accountability of members of councils and their boards and commissions;
  - (j) the relationship between revenue and expenditures in Metro, the area municipalities in Metro, the area municipalities and special purpose bodies, including the adequacy of the revenues and the priority setting mechanism for expenditures;
  - (k) any other matter which the study commissioner considers relevant to local government in the Metropolitan area.
- (II) Undertake to encourage public awareness, participation and understanding of the issues, by among other things, holding public meetings throughout the Metro area and publishing the findings and recommendations of the study in sufficient quantity.

The Committee further advise that pursuant to the said Public Inquiries Act, the said Commissioner shall have the power of summoning any person and requiring him to give evidence on oath and to produce such documents and things as the Commissioner deems requisite for the full investigation of the matters into which he is appointed to examine.

And the Committee further advise that all Government ministries, boards, agencies and committees shall assist, to the fullest extent, the said Commissioner who, in order to carry out his duties and functions, shall have the power and authority to engage such staff, secretarial and otherwise, and technical advisers as he deems proper.

Certified,

J. J. YOUNG

Clerk, Executive Council



# Preface

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As I began the task of preparing this report, it was clear that there was no specific crisis in any single aspect of the local government system in Metropolitan Toronto which required immediate action. In fact, the system appeared to be working quite well, certainly in comparison with many other urban governments. This permitted me to take a broad, somewhat philosophic approach to the extremely detailed terms of reference. While I have recommended many actions that can and should be implemented immediately, the report as a whole is a comprehensive agenda for the future evolution of the Metro system rather than a collection of specific, unrelated prescriptions. It should not be expected, nor is it anticipated, that all the recommendations of the Commission can or will be acted upon at once. Rather, I hope that this report will take its place in the evolution of Metropolitan government which has been going on since the original concept was put into effect some twenty-three years ago with the passage of the first Municipality of Metropolitan Toronto Act in 1953.

The absence of crisis should not be taken to mean that the Metropolitan system has no problems that require attention. The system's inadequacies – lack of clarity, insufficient accountability, less than fair representation, and obstacles to economic and effective government – are the predictable difficulties of any governmental organization as large and complex as the Metro system has now become, and they developed over a long period of time. Unless rectified, these inadequacies will inhibit the ability of the system to cope with Metropolitan Toronto's present and future circumstances.

The organization of this report reflects my approach to this task: Volume 1 presents a general framework and stresses the interrelated nature of the Commission's proposals, while Volume 2 provides a deeper analysis of each of the major aspects of the system and presents the specific recommendations. The publication of the report in this form is intended to stimulate the type of public debate that will permit both the governments and the public to assess the validity of the Commission's findings and to take actions that are deemed appropriate. It is my hope that the wealth of information published by the Commission in the course of its work will assist in this process and that the Commission's records, available immediately in the Archives of Ontario, will be useful as well.

When the Commission was established in September 1974, it was clear that the publication of certain basic information was necessary to permit meaningful involvement by the public in the Commission's hearings. To meet this need, ten background reports were prepared and published to permit a clear understanding of how the present Metro system works.

In May 1975, as the background reports were published, the Commission began its first phase of public hearings for those whose submissions were ready by that time – mainly individual citizens, community groups, and voluntary and private organizations.

The terms of reference required the Commission to encourage public aware-

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ness, participation, and understanding of the issues. Accordingly, the background reports and the submissions made at the first set of hearings were summarized by the Commission in a tabloid-format publication *Update*, in December 1975. In this way, the general public and all participants in the Commission's work were kept informed of the issues being considered and the opinions and attitudes being expressed. *Update* was sent to the five thousand people on the Commission's mailing list and to libraries, universities, and individuals both in Metro and throughout the world.

The second set of hearings began in October of 1975 and lasted until January 1976. These hearings were primarily devoted to the submissions of the municipal councils, school boards and special purpose bodies, and their individual members. These were again summarized and published in a second edition of *Update* which was issued in June 1976.

In all, the Commission received 227 briefs, 140 of which were presented during the twenty-seven days of public hearings (Appendix 2 contains a list of submissions and hearings). The staff conducted an extensive analysis of the proposals placed before the Commission in briefs and collated this information on an index system according to the major subjects of interest. This provided a convenient means of assessing opinion on each of the many issues dealt with in this report. The index system was made available to interested members of the public and is deposited with the other records of the Commission in the Archives of Ontario.

With the completion of the hearings, the Commission began its second phase of research, which examined more closely those areas which assumed importance in the public hearings. The Commission engaged consultants to carry out four studies. Three of these studies – on public finance, on local decision-making and administration, and on the organization of administrative support services – are being published with this report, which draws on many of their conclusions. The fourth, a study of human services, is substantially incorporated in the Commission's report. A staff study, *Political Life in Metropolitan Toronto*, was prepared and published. Based on personal interviews with virtually all local councillors in Metropolitan Toronto, the study contributed much new information about the backgrounds, approaches, time pressures, and attitudes of councillors then holding office in the system.

Local government in Ontario has its roots in the British local government system, and a number of experiments in local government structure have been attempted in that country in recent years. For this reason, the Commission visited Britain in May of 1976 to gain first-hand knowledge of the considerable British experience as it might relate to Metropolitan Toronto. This visit, arranged with the assistance of Ontario House in London, yielded many helpful insights. I am grateful to those in the central government and in local governments and universities in London, Birmingham, and Oxford for the time and effort they spent in answering our many questions.

I was also interested in the innovations contained in the new urban government structure that was established in the City of Winnipeg, Manitoba, in 1972. This structure was being reviewed by a provincially appointed committee at the same time as the Commission was carrying out its study of Metropolitan Toronto. Representatives of the committee visited us in Toronto in 1975 when they were in the organizational phase of their work. The Commission went to Winnipeg to meet with the committee and others in the summer of 1976. The Commission benefited greatly from this opportunity to share experience with the Winnipeg review, and I am grateful to the members and staff of the committee for their assistance.

This report, then, is the result of more than two and a half years of work, involving hundreds of individuals and organizations. Any study of this nature must draw extensively on the knowledge and expertise of those most experienced with the matters under review, and the active participation and generous assistance of many people involved with the system of Metropolitan government in Toronto have been of great value to the Commission.

It would be quite impossible to list all those who contributed to the Commission's work in some way. I should like, however, to thank the people and organizations who submitted briefs, the many local, Metro and provincial officials who provided information and advice, the consultants who produced so many helpful studies, and the wide range of people in the media and elsewhere who did a great deal to make the public aware of the Commission's work. Hugh Hanson, Diane Mew, and Brant Cowie provided valuable assistance and advice in the production of this report. Finally, I should like to acknowledge the dedication and hard work of the following people who constituted the Commission's staff:

Counsel: Richard Rohmer, Q.C.

Executive Secretary: Kenneth Cameron

Research Coordinator: Sharon Cohen

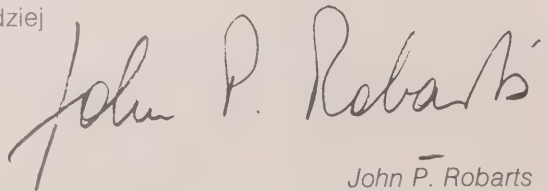
Public Liaison Coordinator: Whipple Steinkrauss

Support Staff: Angelina Reolada

Margo Purchase

Valerie Lyons

Frances Kolodziej



John P. Robarts

June 1977

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# Glossary

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## Government Organization

**Local government:** the municipal organizations which exist at the sub-provincial level in Ontario, including both upper-tier and lower-tier municipalities, boards of education, boards of health, utility commissions, and similar bodies.

**The Metro system:** local government within Metropolitan Toronto.

**Metropolitan Toronto or the Metropolitan area:** the geographic area defined by the boundaries of the Municipality of Metropolitan Toronto.

**Municipality of Metropolitan Toronto or Metropolitan Corporation:** the corporate body directed by the Metropolitan Council as established by The Municipality of Metropolitan Toronto Act; does not include statutory special purpose bodies such as the Toronto Transit Commission, the Board of Commissioners of Police, or the Metropolitan Toronto School Board. These bodies are included in the term **the Metro level or the Metro or upper tier**.

**Area municipalities, constituent municipalities, and local municipalities:** collectively the City of Toronto and the boroughs of North York, Scarborough, Etobicoke, York, and East York, not including special purpose bodies such as boards of education, boards of health, or hydro and public utility commissions. These bodies are included in the terms **the area municipality level or tier**, or **the local or lower tier**.

**Special purpose bodies or boards and commissions:** organizations associated with local government that are created by specific legislation governing their composition, responsibilities, and their financial relationships with municipal councils. Examples include boards of education, library boards, and the Board of Commissioners of Police.

**Executive body:** a municipal council's board of control or executive committee.

**Head of council:** the mayor of an area municipality, or the Chairman of the Municipality of Metropolitan Toronto (also referred to as the **Metro Chairman**).

**Councillor:** a member of any municipal council including the head of council, controllers, and aldermen.

**Civil service:** the permanent paid staff of a municipality, special purpose body, or the Province of Ontario.

**Provincial government:** the Government of the Province of Ontario, which is also referred to as **the province**.

**The Lieutenant-Governor-in-Council:** the provincial cabinet.

**Citizen participation or citizen involvement:** any activity on the part of private citizens, individually or collectively, to express an opinion about or influence a government decision, or to exercise a legally delegated responsibility on behalf of a government. **Citizen participation programs** are activities of governments to encourage citizens to make such expressions of opinion, exert such influence, or exercise such authority.

**Delegation:** the power of an elected body to assign decision-making or administrative powers to individuals, groups, or organizations which are in turn accountable to that elected body for the use of such delegated powers.



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## Services

**Human services:** those which are intended to maintain or improve the economic, social, and personal well-being of the individual. They include health, education, social services, cultural programs, library services, and recreation.

**Physical services:** those which, while ultimately for the benefit of people, are part of the basic infrastructure of an urban area and installed in or on the ground. These services include water supply and sewerage, storm drainage, garbage collection, and the provision of transportation, electric power, gas and communication lines.

**Planning:** any effort on the part of a public body to understand and respond to key factors affecting its present and future operating environment and to prepare future courses of action in relation to those factors.

**Land-use planning:** the activities of a municipality in determining the public interest in the general scheme of land uses within the municipality, and those activities involved in applying such public interest to specific parts and parcels of land within the municipality through land-use controls such as official plans, zoning by-laws, and development control by-laws.

**Toronto region:** the area within the boundaries of the Municipality of Metropolitan Toronto and the regional municipalities of Durham, York, Peel, Halton, and Hamilton-Wentworth.

## Finance

**Property assessment** or **assessment:** the value of a parcel of real property established by government for purposes of determining the amount of real property tax to be paid by the owner. **Market value assessment** refers to the assessment system now being implemented in Ontario, whereby the value of a property is established as the price which would be paid by an independent willing buyer to an independent willing seller at the time of assessment.

**Population:** the total population residing in the municipality at the time of the annual municipal enumeration, less those people resident in institutions and defence establishments.

**Levy:** the amount of money to be raised by property taxation for particular purposes. Such purposes include meeting a municipality's own needs, as well as meeting the annual payments exacted from an area municipality by bodies which by law are empowered to use the property tax to support their activities (for example, the Municipality of Metropolitan Toronto and the boards of education).

**Mill rate:** the proportion of real property assessment to be paid in tax by the property owner. Mill rates are established annually by the taxing municipality, and are expressed in dollars per thousand dollars of assessment. There are separate mill rates for the various entities for which the area municipalities collect taxes. The **education mill rate** refers to the proportion of assessment collected by municipalities to finance the local share of education costs which are levied on the

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municipalities by the local and Metropolitan school boards. The *separate school mill rate* is applied by municipalities to property owners who have chosen to support the separate school system.

**Conditional grants** or **conditional transfer payments:** payments made by one government to another government or special purpose body to support a particular service or facility provided by the receiving body. Examples of conditional grants are community centre grants, public health grants, and transit grants.

**Unconditional grants** or **unconditional transfer payments:** intergovernmental payments which may be related to the general revenue needs of the receiving government body but the amount of which does not depend on the funds actually being applied to any particular purpose. Examples of unconditional grants are those made under the Property Tax Stabilization Program.

**Capital expenditures:** those which are made to construct or improve physical plant or to purchase equipment (for example, bridges, schools, or snowplows). Funds for capital expenditures are frequently raised by borrowing through debentures.

**Current expenditures:** those which support day-to-day operations (for example, salaries, wages, rents, and office supplies). Municipalities keep separate accounts for capital and current expenditures. The retirement of capital debt through payment of principal and interest on debentures is made out of current funds.

# List of Recommendations

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## Chapter 4: The Recommended Approach

- 4.1 The two-tier form of local government in Metropolitan Toronto be continued.
- 4.2 Metropolitan Toronto continue to be made up of six area municipalities, subject to revisions in boundaries proposed in this report.
- 4.3 The constituent municipalities of Metropolitan Toronto be called the City of Toronto and the boroughs of North York, Scarborough, Etobicoke, York, and East York.
- 4.4 All distinctions between the powers and eligibility for grants of the City of Toronto and the boroughs be removed from provincial statutes and regulations.
- 4.5 A general review of the Metropolitan system be instituted in not less than five nor more than ten years.

## Chapter 5: The Electoral System

- 5.1 The three-year term of municipal office be reinstated in Metropolitan Toronto for area municipal councils, Metro Council, and boards of education.
- 5.2 The implications for enumeration of a return to a three-year term of office in Metropolitan Toronto be studied in detail by a joint committee of provincial and municipal officials.
- 5.3 The date for municipal elections in Metropolitan Toronto be advanced to the second week in October, with councils assuming office exactly two weeks later.
- 5.4 The municipal fiscal year remain unchanged.
- 5.5 Municipalities and boards of education in Metropolitan Toronto be empowered to require candidates for office to file a statement of the amount and source of campaign contributions within a reasonable time after an election.
- 5.6 Where a municipality or school board has passed a by-law establishing a system of public disclosure of campaign contributions, it have the power to subsidize the campaign expenses of candidates to a limited degree, provided such candidates gain a fixed minimum percentage of the votes cast.
- 5.7 A deposit be required of all candidates for mayor in the municipalities of Metropolitan Toronto. Such deposit be payable to the municipal treasurer on nomination, and be returnable to all candidates who receive 10 per cent or more of the votes cast in the election.
- 5.8 The council of the Municipality of Metropolitan Toronto and those of the area municipalities be required to place the question of councillors' salaries on their agendas in June of each election year, with any changes to take effect at the beginning of the following fiscal year.
- 5.9 The ceiling on the remuneration to be paid to trustees imposed by section 164 of The Education Act no longer apply to the school boards in Metropolitan Toronto.

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Remuneration levels for trustees be set by the boards themselves in the manner set out in Recommendation 5.8.

5.10 Responsibility for establishing levels of remuneration and allowances for the members of all local boards and commissions except school boards rest with the municipal council responsible for such bodies.

5.11 Directly elected positions for hydro and public utility commissions be eliminated where they exist in Metropolitan Toronto.

5.12 Directly elected boards of control be abolished in Metropolitan Toronto.

5.13 The mayors of the area municipalities continue to be elected at large within these municipalities and also be full members of the Metropolitan Council.

5.14 A single alderman and a single public school trustee be elected for each ward within the municipalities of Metropolitan Toronto.

5.15 Wards be similar in size throughout Metropolitan Toronto, and an objective of 26,200 population per ward  $\pm 10$  per cent be established.

5.16 Members of Metropolitan Council (other than local mayors) be elected directly from districts made up of groupings of three adjacent local wards.

5.17 Directly elected Metro councillors be full members of the councils of the area municipalities from which they are elected, except that they be precluded from membership on any executive or other local committee.

5.18 The Metropolitan Chairman be chosen from among the directly elected members of Metropolitan Council at the first meeting of the municipal term, and hold his positions on his local council and Metro Council and the chairmanship for the duration of that term.

5.19 The provisions establishing the composition of the Metropolitan Executive Committee be removed from The Municipality of Metropolitan Toronto Act.

5.20 Ward boundaries for boards of education be the same as those for area municipal councils. The present system of electing local and Metro separate school trustees be adapted to reflect the new municipal boundaries and ward boundaries.

5.21 The following recommendations of the Ministerial Commission on the Organization and Financing of the Public and Secondary School Systems in Metropolitan Toronto be implemented:

26. Each ward in an area board's jurisdiction be represented by one trustee.
27. A natural community or family of schools be, where feasible, the constituency from which the local trustee is elected.
42. The Metropolitan Toronto School Board continue to be composed of trustees who are members of area boards or representatives of the Metropolitan Toronto Separate School Board.



44. The composition of the Metropolitan Toronto School Board continue to be based as nearly as possible upon representation by population.
45. An area board have one representative on the Metropolitan Toronto School Board per 100,000 population or major fraction thereof.
46. Representatives from the area boards to the Metropolitan Toronto School Board be elected annually.

## Chapter 6: Local Decision-Making and Administration

6.1 The legislation governing Metropolitan Toronto and its constituent municipalities be amended to provide general powers to legislate with respect to local affairs, so that within their areas of jurisdiction, councils may pass any by-law, so long as it does not conflict with provincial legislation.

6.2 All legislation pertaining to Metropolitan Toronto and its constituent municipalities be amended to remove as many of the highly detailed provisions as possible.

6.3 The councils of the Municipality of Metropolitan Toronto and its constituent municipalities be given a general power to delegate responsibility to persons or bodies within or outside the municipal organization, or to agencies of their own creation, subject to the following conditions:

- a) the councils accept ultimate political and financial responsibility for the actions of those to whom they delegate;
- b) the councils be precluded from establishing separate elective offices under The Municipal Elections Act for those to whom they delegate;
- c) the delegation of responsibility be renewed or retracted by each new council; and
- d) the exercise of the power of delegation be compatible with the principles of the rule of law and of natural justice.

6.4 Local governmental functions be the responsibilities of municipal councils. The statutory provisions for all special purpose bodies now operating within Metropolitan Toronto and its constituent municipalities, with the exception of boards of education, be removed and the authority of these bodies assigned to their respective councils.

6.5 The current statutory powers of mayors be retained.

6.6 The current statutory powers of the Metropolitan Chairman be retained.

6.7 The heads of councils be ex-officio chairmen of the executive bodies of councils.

6.8 The general power of delegation recommended for councils be interpreted as authorizing them to elect from among their members an executive committee, and any number of standing committees, and to delegate to them such responsibilities as the councils see fit.

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## Chapter 7: The Citizen and Local Government

7.1 Municipal councils in Metropolitan Toronto consider using the general power of delegation proposed in Recommendation 6.3 to experiment with various ways of involving citizens in the development of policy and the administration of services.

7.2 Municipal councils and school boards in Metropolitan Toronto review their public information policies to ensure that they facilitate citizen understanding of the local government system and its activities.

## Chapter 8: Intergovernmental Relations

8.1 A Toronto Region Coordinating Agency be created by provincial legislation, with responsibility for facilitating the planning and development of the Toronto region and for providing such services and advice to the regional municipalities and the province as may be delegated to it by its participating governments.

8.2 Membership in the Toronto Region Coordinating Agency consist of representatives chosen by the councils of the regional municipalities in the Toronto region and Metropolitan Toronto, and the provincial minister designated with responsibility for the Toronto region.

8.3 The Toronto Region Coordinating Agency be empowered to examine and comment on the budgets and plans of the existing operating bodies of a regional nature, the Toronto Area Transit Operating Authority and the conservation authorities.

## Chapter 9: Boundaries

9.1 The boundaries of the City of Toronto be the Humber River from Lake Ontario to St. Clair Avenue; St. Clair Avenue from the Humber River to Bathurst Street; Bathurst Street from St. Clair Avenue to Highway 401; Highway 401, Wilson Avenue, and York Mills Road from Bathurst Street to Bayview Avenue; Bayview and the Bayview Avenue Extension from York Mills Road to Danforth Avenue; Danforth Avenue from the Bayview Avenue Extension to Warden Avenue; and Warden Avenue from Danforth Avenue to Lake Ontario.

9.2 The boundaries of the Borough of North York be the Humber River from St. Clair Avenue to Steeles Avenue; Steeles Avenue from the Humber River to Warden Avenue; Warden Avenue from Steeles Avenue to Ellesmere Road; and Ellesmere Road, Parkwoods Village Drive, York Mills Road, Wilson Avenue, and Highway 401 from Warden Avenue to the Humber River.

9.3 The boundaries of the Borough of Scarborough be Warden Avenue from Lake Ontario to Steeles Avenue; Steeles Avenue from Warden Avenue to the western boundary of the Regional Municipality of Durham; and the western boundary of the Regional Municipality of Durham from Steeles Avenue to Lake Ontario.

9.4 The boundaries of the Borough of Etobicoke be the eastern boundary of the Regional Municipality of Peel from Lake Ontario to Steeles Avenue; Steeles Avenue from the eastern boundary of the Regional Municipality of Peel to the Humber River; and the Humber River from Steeles Avenue to Lake Ontario.

9.5 The boundaries of the Borough of York be the Humber River from St. Clair Avenue to Highway 401; Highway 401 from the Humber River to Bathurst Street; Bathurst Street from Highway 401 to St. Clair Avenue; and St. Clair Avenue from Bathurst Street to the Humber River.

9.6 The boundaries of the Borough of East York be the Bayview Avenue Extension and Bayview Avenue from Danforth Avenue to York Mills Road; York Mills Road, Parkwoods Village Drive and Ellesmere Road from Bayview Avenue to Warden Avenue; Warden Avenue from Ellesmere Road to Danforth Avenue; and Danforth Avenue from Warden Avenue to the Bayview Avenue Extension.

9.7 The transfers of population resulting from the proposed boundary changes be accompanied by a corresponding transfer of municipal employees, whose bargaining rights, salaries, and benefits should be protected as far as possible.

## Chapter 10: Finance

10.1 The Ontario property tax credit be revised so that it covers the same proportion of property taxes paid by taxpayers of comparable income throughout Ontario.

10.2 Ontario's per capita grants program be reviewed to assess the feasibility of converting it to a per household basis and making it more responsive to the costs of the more populous regional and Metropolitan municipalities.

10.3 All conditional grants whose purpose is to provide an incentive to municipalities to provide services or facilities, with the exception of housing grants, be eliminated for municipalities in Metropolitan Toronto.

10.4 Existing intergovernmental grant programs as they apply to Metropolitan Toronto be replaced with three-year cost-sharing agreements for provincial and (where applicable) federal support of municipally administered programs for which there is a recognized financial responsibility on the part of the other levels of government. Such agreements be negotiated jointly by the provincial government and the municipalities in the Metro system.

10.5 The Ontario Municipal Board's function with regard to approval of capital projects of local authorities in Metropolitan Toronto be limited to ensuring that total borrowing by the authorities is known and within acceptable financial limits, is for capital purposes only, is for a term not longer than the life of the assets to be created, and conforms to clearly stated provincial policy concerning capital expenditures.

10.6 Responsibility for hearing and deciding on objections to municipal capital projects be transferred from the Ontario Municipal Board to municipal councils.

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Procedures for consideration of municipal capital programs by councils include publication of the programs and the holding of formal hearings on them.

10.7 All provincial payments for local services except education be made to municipalities rather than directly to special purpose authorities.

10.8 All municipalities in Metropolitan Toronto be encouraged to develop a capacity for multi-year financial forecasting and planning.

10.9 Local authorities in Metropolitan Toronto examine the findings of the Commission's study, *The Organization of Administrative Support Services in Metropolitan Toronto*, and take appropriate cooperative action.

## Chapter 11: Planning

11.1 Area municipalities in Metropolitan Toronto be given the primary responsibility for land-use planning within the framework of a Metropolitan plan.

11.2 An area municipality be required to notify all interested parties when it is considering passage or amendment of a planning by-law (i.e., an official plan, a zoning by-law, a development control by-law, or a subdivision agreement). Such parties, including private citizens and organizations, the Metropolitan Council and the provincial government, be notified again of the final passage of a planning by-law.

11.3 Planning by-laws passed by an area municipality acquire the force of law unless objected to by an interested party within a predetermined period of their final passage by council.

11.4 Objections made by the Metropolitan Council or the provincial government to a planning by-law passed by an area municipality be based on and confined to an apparent conflict with the stated plans and policies of the Metropolitan or provincial governments.

11.5 Objections made by private citizens and organizations to a planning by-law passed by an area municipality be based on and confined to an apparent failure of the municipality to follow appropriate procedures according to the rules of natural justice.

11.6 The Ontario Municipal Board be responsible for hearing objections to municipal planning by-laws. The Board's findings and recommendations as to the validity of these objections be reported to the Minister of Housing for a final decision.

11.7 Any interested party be entitled to initiate a hearing by the Ontario Municipal Board on the question of whether consideration by a municipality of an official plan amendment, zoning by-law, development control by-law, or plan of subdivision is being unduly delayed, and the Board be given power to order the municipality to expedite the processing of the proposal and to establish a deadline for its disposal by council.



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11.8 Authority for the establishment of planning boards within municipalities in Metropolitan Toronto be removed from The Planning Act and transferred to the municipal councils, which should have the power to appoint such planning bodies as they deem necessary.

11.9 Authority to establish committees of adjustment for municipalities in Metropolitan Toronto be removed from The Planning Act and transferred to the municipal councils.

11.10 The responsibility for hearing and deciding on appeals of committee of adjustment decisions be transferred from the Ontario Municipal Board to the council which appoints the committee.

11.11 The Municipality of Metropolitan Toronto be required to adopt an official plan by 1 July 1978.

11.12 When a Metropolitan plan or amendment becomes official, all local plans and by-laws be amended to conform to it within a period of time to be set by Metro Council.

11.13 Where an area municipality fails to amend a by-law to conform to the Metro plan or amendment, Metro be empowered to initiate a hearing of the matter by the Ontario Municipal Board, and the Board be empowered to extend the time permitted by Metro or to order the amendment of the by-law forthwith.

11.14 The power of Metropolitan Council to pass zoning by-laws for lands within 150 feet of Metropolitan roads be abolished.

11.15 Metropolitan Toronto and the area municipalities be empowered to establish policies in their official plans concerning any matter within their legislative jurisdiction.

11.16 The Toronto Region Coordinating Agency be the forum for coordinating the planning policies of provincial and municipal governments as they affect the development of the Toronto region.

## Chapter 12: Housing

12.1 The Toronto Region Coordinating Agency assess the housing requirements of the Toronto housing market and develop targets for market and low-income senior citizen and family housing; and the province ensure that responsibility for attaining these targets is shared equitably throughout the region.

12.2 The Metropolitan Council, in consultation with the area municipalities, be responsible for establishing housing targets as part of a comprehensive Metropolitan housing policy, and for the allocation of these targets among the area municipalities.

12.3 Metropolitan housing objectives be implemented through the planning powers of the Metropolitan Council.

12.4 The Metropolitan Council gradually assume responsibility for the existing housing stock of the Ontario Housing Corporation in Metropolitan Toronto.

12.5 The Metropolitan Council be responsible for the direct provision of all low-income family and senior citizen housing in Metropolitan Toronto, and delegate this responsibility to any area municipality willing and able to undertake it.

## **Chapter 13: Transportation**

13.1 The responsibility for establishing arrangements for operating the transit system be vested in the Municipality of Metropolitan Toronto.

13.2 Transfers of responsibility for roads between the two tiers be accompanied by responsibility for repayment of any outstanding debt associated with such roads.

13.3 The Municipality of Metropolitan Toronto have the power to develop and establish a parking policy and to include it in its official plan. Such policy be limited to broad objectives for the provision of major parking facilities oriented to the transit system and policies concerning the price of public and commercial parking space.

13.4 The Metropolitan Council be empowered to regulate the rates of public and private off-street parking facilities as part of its general licensing power.

13.5 The Metropolitan Council have the responsibility for proposing changes in parking penalties to the area municipalities and the power to implement such changes if the area municipalities are unable to agree on appropriate changes.

13.6 Local government in Metropolitan Toronto be represented on the Toronto Harbour Commissioners by two representatives appointed by the City of Toronto and one representative appointed by the Municipality of Metropolitan Toronto.

13.7 The land-use authority of the Toronto Harbour Commissioners be limited to lands actually or potentially needed for port purposes, regardless of their ownership.

13.8 The municipal representatives on the Toronto Area Transit Operating Authority be chosen by their respective councils for a term coinciding with the term of office of the councils.

13.9 The Toronto Region Coordinating Agency be responsible for reviewing and commenting on the budgets and plans of the Toronto Area Transit Operating Authority prior to their submission to the Minister of Transportation and Communications.

## **Chapter 14: Physical Services**

14.1 The Municipality of Metropolitan Toronto, as a participant in the Toronto Region Coordinating Agency, seek to ensure that the growth strategies in the

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Toronto region are compatible with the capabilities of the physical services systems of Metropolitan Toronto.

14.2 The responsibility for securing sites for solid waste disposal be transferred from Metropolitan Toronto to the province.

14.3 The responsibilities of the Metropolitan Toronto and Region Conservation Authority be confined to flood control and water conservation; the development and management responsibility for lands with parks potential acquired by the Authority, including waterfront lands, be transferred to the regional and Metropolitan municipalities in which they are situated; and land acquisition, development and management for regional parks be carried out as proposed in Recommendation 20.2.

14.4 Subject to Recommendation 14.3, flood control and water conservation on the Petticoat, Duffin and Carruthers Creeks be undertaken by the Central Lake Ontario Conservation Authority.

14.5 The provision of electrical service remain an area municipal responsibility, and the councils be permitted to choose the structure through which such service will be provided.

## Chapter 15: Public Protection Services

15.1 Subject to provincial standards and regulation, and accompanied by a general power to delegate, the Metropolitan Council be given the responsibility for policing in Metropolitan Toronto.

15.2 The responsibility for law enforcement and policing on the part of Lake Ontario within Metro's boundaries be assigned to the Metropolitan Police Department.

15.3 Policing the Port of Toronto and port-related activities remain a responsibility of the Toronto Harbour Commissioners.

15.4 The provincial grant for policing in Metro be negotiated on a three-year basis, and reflect the requirements of policing major metropolitan areas.

15.5 Fire protection services remain a responsibility of the area municipalities in Metropolitan Toronto.

15.6 A committee of fire chiefs be established as the forum to develop solutions to intermunicipal fire protection problems for consideration by the area municipal councils.

15.7 As part of the general provincial-municipal cost-sharing discussions recommended in chapter 10, the Metropolitan Council and the Minister of Health negotiate three-year cost-sharing agreements for ambulance services in Metro which recognize the same degree of provincial responsibility for ambulance services in Metro as is established for other large urban areas of the province.

15.8 The Metropolitan Council be assigned a general power to license trades and businesses in the interests of the community.

15.9 The mandatory provision for a Metropolitan Licensing Commission be removed from The Municipality of Metropolitan Toronto Act.

## Chapter 16: The Human Services System

16.1 Metropolitan Council be given the responsibility for developing a human services policy for Metropolitan Toronto, and a mandate to encourage the coordination and rationalization of these services.

16.2 A joint human services policy advisory committee be established in Metropolitan Toronto comprised of representatives of the various major elements of the delivery system including the boards of education, the voluntary sector and the area municipalities, and this committee be responsible for making human services policy recommendations to Metro Council.

16.3 The Metropolitan Council be given the primary responsibility for allocating provincial funds to human services agencies in Metro other than the area municipalities.

16.4 The Municipality of Metropolitan Toronto monitor social research in Metropolitan Toronto and develop a social research strategy for the Metropolitan area.

## Chapter 17: Education

17.1 The boundaries of area municipalities and area boards of education in Metropolitan Toronto continue to coincide.

17.2 The direct educational responsibilities of the Metropolitan Toronto School Board be transferred to the area boards of education, with provision made to ensure that no child is thereby denied access to appropriate educational services.

17.3 Beginning two years after the implementation of the recommended changes in municipal boundaries and in the electoral system, provincial legislative grants be paid directly to the area boards of education.

17.4 Following the establishment of a system of direct provincial grants to the area boards, the area boards gradually assume responsibility for raising the local revenues necessary for educational purposes and the Metro educational levy be reduced accordingly.

17.5 When Metro's capital requirements for education have stabilized, the responsibility for deciding on capital expenditures and for servicing debt be transferred to the area boards, and the Metropolitan Toronto School Board be replaced by a committee of board chairmen responsible for continuing cooperation and coordination among the area boards.



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17.6 Health-related costs and services of the school system, including those for special education, be paid from municipal public health budgets.

17.7 The ceiling on the mill rate that may be charged by an area board to finance capital expenditures from current revenue be removed.

17.8 The collection of education taxes in Metropolitan Toronto continue to be the responsibility of the area municipalities.

## **Chapter 18: Health**

18.1 Public health remain a responsibility of the area municipal level in Metropolitan Toronto.

18.2 The Metro Council be given a limited, coordinating and non-operational role in public health, and be authorized to provide central statistical or other analytical services at the request of the area municipal level.

18.3 Public health expenditures in Metro be eligible for provincial grant support at a rate equivalent to that given to district health units.

18.4 The responsibility for public health under The Public Health Act and other provincial statutes be transferred to the area municipal councils of Metropolitan Toronto.

18.5 The Metropolitan Council be designated as the District Health Council for Metropolitan Toronto.

## **Chapter 19: Social Services**

19.1 The responsibility for the administration of assistance to Metro residents under The Family Benefits Act be transferred from the provincial government to local government in Metropolitan Toronto and integrated with general welfare assistance.

19.2 The provincial government review its social services legislation with a view to making it more consistent in its support for closely related services and broadening the scope of local government in service delivery.

19.3 The Metropolitan Council be responsible for the administration of general welfare assistance and family benefits within Metropolitan Toronto.

19.4 The present responsibilities of the Metropolitan Council for services ancillary to general welfare administration and family benefits be continued.

19.5 Responsibility for child welfare services, including the power to create, alter, or abolish children's aid societies, be vested in the Municipality of Metropolitan Toronto.

19.6 The Metropolitan Council be designated by the Minister of Community and Social Services as the local children's services committee for Metropolitan Toronto.

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## Chapter 20: Recreation, Libraries and Culture

20.1 The direct provision of public recreation services continue to be the exclusive responsibility of the area municipal councils, but the Metropolitan Council be empowered to make capital grants in support of the construction of major regional recreational facilities.

20.2 All lands with recreation potential acquired by the Metropolitan Toronto and Region Conservation Authority for water management purposes, including existing conservation areas and waterfront lands, be developed and managed by the regional or Metropolitan governments in which they are situated; capital improvements and further acquisitions of recreation areas continue to be eligible for provincial financial support; and the Toronto Region Coordinating Agency be the forum for developing an open-space policy and program of regional recreational land acquisition for the Toronto region.

20.3 The two-tier system for the provision of library services be retained for Metropolitan Toronto.

20.4 The statutory requirement for library boards, as it pertains to Metropolitan Toronto, be repealed and the responsibility for library services be vested in the municipal councils of Metropolitan Toronto.

Local government in Metropolitan Toronto has evolved within the framework of the governmental system of Canada and Ontario. Any study of Metropolitan Toronto, therefore, must be influenced by the realities of the larger community and the history of local institutions generally. During its work the Commission recognized the importance of the historical background to modern perceptions of local government, and it made a number of explicit assumptions that are the starting point for the analysis and recommendations contained in this report. This chapter gives that background.

## Background: Why Local Government?

The need for some form of local government within the nation-state has been recognized for centuries. From the rise of boroughs and communes in eleventh- and twelfth-century Europe to the present day, local government has played a part in the public life of western societies. It has supported the social and economic activity of communities by providing services ranging from the organization of weekly markets and local defence to sophisticated public services such as mass transit. Throughout their history, however, local institutions have generated a lively and continuing debate over their proper role. Two aspects of the debate have been particularly important: the type of authority exercised by local government officials, and the tension between local autonomy and central control.

During the past century and a half, there has been a movement away from aristocratic or oligarchic domination of local affairs toward more democratic control. In England the appointment (or self-appointment) of local government officials from among the landed gentry and prosperous town burgesses gave way to election by universal adult suffrage from among all eligible voters. In the early days of British colonial rule in Canada the only local government officers were crown-appointed magistrates, many of whom "were old army officers, and most of them men of sufficient income to render them indifferent to the hardships and wants of the average hardworking settler."<sup>1</sup> These magistrates of the Courts of the Quarter Sessions have long since been replaced by office-holders elected from among the eligible voters. Furthermore, the extension of the municipal franchise in this century has increased the proportion of the population eligible both to vote in local elections and to run for local office.

At the same time, however, there has been an increase in the number of special purpose bodies exercising local government powers. Because most of these authorities are governed by appointed boards and commissions, they are not subject to direct democratic control, even though they make public policy and spend public funds. From this point of view, then, the trend to democratization begun with the popular election of municipal councils and school boards is not yet complete. But it has become accepted, if not completely realized, that if there is to

be local self-government, it should be democratically exercised by the elected representatives of the citizenry of the municipality.

Another issue, and one that has not been completely resolved, is the degree of autonomy that should be granted local communities to run their own affairs, as opposed to control being exercised by a central (provincial or national) government. This battle between local autonomy and central control is an unceasing one, the inevitable corollary to the existence of any local government. Although there is a tendency by some to characterize present provincial control over local government as an infringement of the autonomy enjoyed for centuries by our ancestors, there has always been some form of central control, along with a continuous effort to strike a balance between it and local autonomy.

In Canada the original demands for local self-government were denied in the interests of the security of the colony. The United Empire Loyalists, who came to Canada after the American Revolutionary War, were anxious to exercise some of the powers of self-government they had enjoyed in their New England communities. The colonial governors, however, resisted these demands on the grounds that they considered it their duty to preserve for the crown what remained of British North America and to restrict severely any radical or democratic tendencies of the sort that had contributed to the rebellion in the American colonies.

It was only when the absence of local government seemed to constitute a threat to the colonies that municipal institutions were introduced. The incompetence, indifference, and corruption of the crown-appointed magistrates, and their immunity from public control, contributed to the rebellion of 1837. In his report on government in the colonies following these events Lord Durham said, "the establishment of a good system of municipal institutions throughout these provinces is a matter of vital importance." This concern was echoed by his successor, Lord Sydenham, who remarked that "since I have been in these provinces, I have become more and more satisfied that the capital cause of the mismanagement of them is to be found in the absence of local government."

The Municipal Corporations Act (the Baldwin Act), passed in 1849, created a system of local self-government in the rural and urban communities of Canada West, soon to become the province of Ontario. It was a remarkably successful system and one that granted local communities considerable autonomy:

*Within the scope allowed, and the scope was extensive, the municipalities had gained the right to local self-government with a minimum of parliamentary or executive control, the elected representatives being answerable in matters of policy to their electors and in matters of law to the courts.<sup>2</sup>*

The main achievement of the Baldwin Act lay in the control it gave local communities over certain local matters which they were uniquely suited to deal with. Support for such systems of local self-government has traditionally been based on the argument that the community is the best judge of its own needs and is more





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capable than anyone else of seeing to them. It was this argument that John Stuart Mill made in his famous statement that "it is but a small portion of the public business of a country which can be well done, or safely attempted, by the central authorities."

To a great extent the accomplishments of the Baldwin Act were made possible by the nature of nineteenth-century communities. Within the structure of a comparatively simple economy, communities had developed a sense of local consciousness and self-sufficiency which lent itself to the idea of a separate local government for each area. In this way each community was responsible for its own affairs and was not greatly concerned with the affairs of its neighbours.

Even while making strong arguments for local autonomy, Mill and other theorists of local government acknowledged the need for some measure of central control. According to Mill, the general principle should be that "the localities may be allowed to mismanage their own interests, but not to prejudice those of others, nor violate those principles of justice between one person and another of which it is the duty of the State to maintain rigid observance." But what Mill could not foresee, and what the Baldwin Act could not provide for, was that the twentieth century would bring rapid industrialization and urbanization. In their wake came an increasing interdependence of municipalities, and a changing conception of the function of government that emphasized the state's duty to provide for the social and economic well-being of its citizens.

The consequences of these changes were that, in discharging many of their responsibilities, the activities of one municipality were increasingly likely to affect the activities of others. It became recognized that in the unequal development of local tax bases the principles of justice between one person and another would be violated. Simultaneously it became apparent that in attempting to respond to demands for new services, many local governments would find themselves without the resources to do the job adequately.

After the First World War, provincial involvement in local affairs increased. The introduction of conditional grants, the expanded use of special purpose authorities to carry out certain local functions, and the expansion of provincial supervision, especially in such areas as finance and planning, were all mechanisms used to overcome emerging problems. The significance of this trend was not simply in a swing of the pendulum away from local autonomy and toward central control. It also involved substantial *administrative* control over local authorities. The tradition of English local government, and therefore Ontario local government to a great extent, had been that central control was exercised through the legislative powers of Parliament. Within the framework of the laws providing for local institutions, municipalities retained control over their own activities. But the pressure of the twentieth century brought about a dramatic change and, in many cases, forced the municipalities into a position of administrative as well as legislative subordination to the provincial government.

Although such provincial control did (and still does) ensure that services were provided at a certain standard and that costs were more fairly apportioned, it also raised serious questions about the future of local government. At the very least, increasing central control compounded the problem of the inadequacy of local units by removing from them much of the importance and authority that their citizens valued most highly. At most, central control threatened the very existence of local self-government. K. G. Crawford, a noted authority on Canadian local government, observed that increasing provincial direction and control ultimately results in "a progressive weakening of local self-government to the point that it might be better abandoned and replaced by a system of local provincial agencies."

The response to this situation, in Canada as in many other nations, has been an attempt to reform local government. There is a continuing conviction of the validity of local self-government that is based not only on the political influence of existing municipalities or on arguments about the attachment of individual citizens to local self-government; this conviction is also based on a recognition that by allowing a direct connection between the governed and the government at the level where services are provided, municipalities make a positive contribution that could not be made by "local provincial agencies."

The most important reason for maintaining local self-government is that the municipality is a better structure than any other for identifying the needs of the

## Black Creek Pioneer Village



community. It permits the citizens to make their own judgments about what will best suit them.

*Communities not only vary in the mixture of needs and therefore of services they require, but there is often disagreement within the community as to what this mixture ought to be. . . . It is not enough to be able to define the needs of the locality objectively (assuming that this can be done anyway); account must also be taken of subjective assessments by the community itself of what its needs are.<sup>3</sup>*

Furthermore, local knowledge includes the detailed understanding and close concern available only from those who experience the situation. Local citizens, for example, can most acutely understand the need for a new school, because the children crossing busy streets to get from one temporary building to another are their own children. While there are ample grounds for criticizing municipal governments, it is also true that we are most likely to get from them "that initiative, that creativeness, that desire to contrive expedients which comes only from those who feel a responsibility and a personal interest in the results."<sup>4</sup>

But the ability of municipal governments to identify the needs of the communities they govern is useful only because of their role in providing services.



It is certainly advantageous to have local institutions able to lobby the provincial government on behalf of their constituents regarding services in which the province has established its legislative and administrative dominance. But the most important functions of municipal governments are their ability to identify the needs of the communities they serve and to provide public services in accordance with the dictates of their consumers – the citizens.

There are two aspects to the municipality's importance as a provider of service. One is that the municipality allows the provision of services over an appropriate area. The introduction of Metropolitan government in Toronto in 1954 and consolidation of local municipalities in 1967 were both moves that helped define appropriate service areas for certain public services. The Metropolitan area, for example, is a more sensible jurisdiction for the administration of mass transportation than is a single municipality because citizens all over Metro use the service, crossing local boundaries with frequency and regularity. Similarly, the area municipalities are more appropriate providers of such services as community centres, which serve their immediate neighbourhoods and are not of Metro-wide concern.

But in addition to providing a reasonably good way to define service areas, municipalities also offer a measure of public control over the provision of services. One authority on municipal government has observed that

*... public goods will not be provided efficiently unless there exists some mechanism whereby preferences as to the desired quantity and quality of these goods can be registered.*<sup>5</sup>

Because municipal government is based on the decisions and preferences of the voters, not only in the electoral process itself but also in the continuing political exchange between councils and citizens, the choices of these consumers will have an impact on the type and level of public services that are provided.

The present system does not provide for citizens to express themselves directly on Metro issues or to vote directly for Metro councillors, and it can be said that Metro services are not subject to the same degree of democratic consumer control that area municipal services are. Even so, the municipality – whether local or Metropolitan – remains a more effective mechanism for ensuring effective public services than local provincial agencies could be. Once services are centralized, even if there is a local agency to administer them, changes “can only be effected by a crisis sufficient to shift public opinion at the [provincial] . . . level and can only be sustained if the opinion does not shift elsewhere.”<sup>6</sup>

Another among the classic and still valid arguments in favour of local self-government is that it offers the citizens unparalleled opportunities to participate in the public life of their community. The uniqueness of participation in local government stems in part from the very familiarity people have with their own municipality: they approach the act of participation with more information about their local



community and its needs than they can readily acquire about the province or the country as a whole. In short, the municipality is a political unit of more truly human proportions.

Participating in local government is unique, too, because of the range of activities it may involve. Not only does it include the traditional opportunities for political activity – voting, writing to one's representative, taking part in election campaigns, discussing political events with friends and neighbours – local government also offers continuing opportunities to speak directly with members of council, to take part in public meetings, including council committee meetings, and often to participate at council debates as well. Participation in local government is more extensive, more direct, and a realistic possibility for more citizens than participation in any other level of government.

Theorists of local government have long argued that such participation is essential for the political education of the community. Perhaps the most famous statements of this theme come from John Stuart Mill:

*We do not learn to read or write, to ride or swim by being merely told how to do it, but by doing it; so it is only by practising popular government in a limited scale, that people will ever learn to exercise it on a larger.<sup>7</sup>*

And from Alexis de Tocqueville:

*Town meetings are to liberty what primary schools are to science; they bring it within the people's reach, they teach men how to use it and how to enjoy it. A nation may establish free government but without municipal institutions it cannot have the spirit of liberty.<sup>8</sup>*

Although the educative value of this type of participation has been denied by some critics, local government, like any other, involves the allocation of scarce public resources among competing needs. Participation in it exposes the citizen to this difficult selection process on a relatively small scale, thereby broadening his understanding of how all public decisions are made.

Implicit in the statements of Mill and Tocqueville is a belief in almost universal participation, clearly untenable in the densely populated urban municipalities of the latter part of the twentieth century. Nevertheless, local government remains the most accessible of representative institutions. Every citizen has a government that is clearly local, with its offices a relatively short distance from home and its elected representatives a phone call away.

This Commission is convinced that the contributions made by local self-government are important ones which could not be duplicated by any other form of local administration. Yet local government must be monitored and kept in a state appropriate to its community; its institutions must remain responsive and effective. The recommendations in this report are intended to maintain these features of local government in Metropolitan Toronto.

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## Assumptions

There is nothing so certain as the change that characterizes our environment and our institutions. The specific details of the Metro system of government that existed when this Commission was appointed are bound to be different at the time the report is completed. Because of this the Commission has chosen to set out the basic assumptions on which its recommendations rest. If the validity of any of these assumptions is altered by changed circumstances, then the relevant recommendations should be reassessed in that light.

**It is assumed that federal and provincial powers and responsibilities as they affect urban areas will remain unchanged.**

While the provincial governments have the constitutional responsibility for legislation and regulations concerning local governments and policies related to urban development, the federal government now plays an important indirect role through its housing programs, its cost-sharing arrangements for a number of human services, and its direct responsibilities for harbours, railways, airports, communications, and the management of the national economy.

In the present uncertainty about Canada's future structure, the Commission must assume that the present powers of the federal and provincial governments as they affect the matters it has studied will remain as they are. While the Commission believes that Canada's public finance system should be reorganized to expand the resources available to the provincial-municipal sector, it recognizes the impossibility of predicting what, if any, changes will be made in the constitution of Canada in the future.

**It is assumed that the role played by central Ontario in the national and provincial economies will be similar to the present.**

For many years after the Second World War the Toronto-centred region attracted an increasing share of Ontario's and Canada's population and economic activity. With the more recent increased importance of the western provinces to the national economy, with provincial policies to disperse industrial activity, and with changes in personal and corporate location preferences, it is reasonable to assume that this role will stabilize at approximately its present level.

**It is assumed that central Ontario's population growth rate will be more moderate in the future.**

The slowing of the area's population growth will result from a combination of the decline in the birthrate, the implementation of a more restrictive federal immigration policy, and the increasing economic attractiveness of the western provinces. Within Metro itself, future population growth will be limited because most of the area's available land is already developed, leaving little room for new housing. Redevelopment at higher density will be a feature of much of whatever growth there

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will be, but since this is relatively difficult and costly, it is unlikely to result in a rapid population increase.

**It is assumed that the present external boundary of Metropolitan Toronto will remain the same.**

The consideration of major alterations in the external boundary of Metropolitan Toronto was not explicitly included in the Commission's terms of reference, and it is clear from the views expressed by many during the Commission's work that there is widespread opposition to any expansion of Metro's jurisdiction. It is also the policy of the provincial government that the present Metro boundary remain unchanged.

There are valid reasons for this view. It has been argued that the regional municipalities of Peel, York, and Durham have been created only recently and should be allowed to develop and consolidate before any boundary changes are considered. In addition, evidence given to the Commission showed that much of the taxable assessment and population of these surrounding regions and their constituent municipalities is located in the area immediately adjacent to the Metro boundary. Severe disruption in the finances and services of those municipalities would result from any loss of territory to Metro.

Stopping the expansion of Metro's land area will have a significant implication for the provincial government. There is a conventional wisdom in local government that major metropolitan areas must have room to breathe, so that their own governments can provide new physical services, transportation, housing, recreation, and other facilities in a planned manner. The provincial government has assumed a number of these responsibilities (for example, trunk sewers) in the central Ontario region. The Commission believes that the acceptance of the present Metro boundaries must result in the provincial government playing an even stronger role in the development of this region. This role can be harmonized with that of local government in the area by the establishment of the regional coordination machinery suggested in this report.

For the system of government within it, the impact of accepting the current Metro boundary is enormous. With the major physical facilities in place and little further growth to service, the local government system will become increasingly concerned with redevelopment, conservation, and the preservation and improvement of the quality of life in this large, stable city. Growth in tax revenues resulting from new development will decline substantially, while the need for such costly services as assisted housing, income support, and transit will continue to rise.

The assumption that the Metro boundary is fixed is therefore extremely important for the Commission's report.

**It is assumed that the demands of citizens for participation in municipal government in Metropolitan Toronto will continue and grow.**

The increased involvement of private citizens in local government in Metropolitan

Toronto is one of the most important changes that has taken place since the system was last reviewed in 1963–65. While there have been fluctuations in public interest during the intervening period as various issues arose and were resolved, citizens are now much more aware of and involved in their local government's decisions. In part this awareness is rising because local governments are now making clearly political choices among priorities in areas that directly affect the daily lives of people. The people themselves are better educated than ever before and have more leisure time, which gives them the means to participate. The Commission assumes that, as specific issues are brought to the fore, the trend to greater citizen involvement will continue in the future.

## Conclusion

These are the background set of values and the specific assumptions the Commission has brought to its task. It should be kept clearly in mind that the work of the present Royal Commission is only the most recent phase of the evolution of the system over the past twenty-three years. The gradual development of the system (an outline of which is given in the next chapter) is one of its distinguishing characteristics. The significance of the assumptions and values adopted by this Commission will become increasingly clear in light of the description of recent developments and existing circumstances.

## Notes

1. K. G. Crawford, *Canadian Municipal Government* (Toronto: University of Toronto Press, 1954), p. 27.
2. Crawford, *Canadian Municipal Government*, p. 32.
3. L. J. Sharpe, "Theories of Local Government" in Lionel Feldman and Michael Goldrick, eds., *Politics and Government of Urban Canada* (Toronto: Methuen, 1972), p. 403.
4. H. E. Firer, "The Case of Local Self-Government," *Public Administration Review*, 3 (1943), p. 55.
5. J. Stefan Dupré, "Intergovernmental Relations and the Metropolitan Area," in Simon Miles, ed., *Metropolitan Problems* (Toronto: Methuen, 1970), p. 354.
6. L. J. Sharpe, "Local Government," p. 405.
7. J. S. Mill, *Essays on Politics and Culture* (New York: Free Press, 1963), p. 186.
8. A. de Tocqueville, *Democracy in America* (New York: Alfred A. Knopf, 1953), Vol. I, p. 60.



Metropolitan government was introduced in the Toronto area in January 1954. It was a bold experiment in local government designed to meet the demands of a rapidly growing multi-municipality urban area. It worked: the Metropolitan system has served its citizens well.

One of the greatest strengths of the Metropolitan system has been its flexibility. From the beginning, its architects recognized that the structure should be able to evolve with changing circumstances. Hence even the original Municipality of Metropolitan Toronto Act contained provision for official inquiries into any aspect of local government within Metro. This acceptance of the need for change has led to an expectation that structural changes will be relatively frequent. It has also encouraged those involved in the system to look for ways to make it work better. In fact, in every year since Metropolitan government was first introduced, there has been some alteration to the system by provincial legislation. While the Government of Ontario has the responsibility for amending the Act, many of the changes it has implemented have been made at the request of the Metro federation.

To provide a context for its assessment of the Metropolitan system, the Commission looked at the events and circumstances leading to Metropolitan government in the Toronto area and the development of the system to date.

## Historical Evolution of Metropolitan Toronto

### Pre-1954

It was not until after the Second World War that the circumstances of Toronto became sufficiently different from those of other Ontario cities to warrant special treatment. Up to that time Toronto, in common with nearly all municipalities, had been suffering from the financially disastrous effects of the depression and the privations occasioned by the war. Both those man-made calamities had had severe effects on local governments, and had combined to restrict routine maintenance on the one hand and to curtail the construction of a number of badly needed capital works on the other.

In the thirties and early forties it was financially impossible for municipalities to build the water mains, the sewer systems, the roads, and the schools that would be necessary to accommodate future growth. Hence the boom of the late forties and early fifties caught the City of Toronto and the surrounding municipalities completely unprepared. Through a variety of circumstances the Toronto area was to become the site of one of the largest population growths in Canadian history, a growth fed by a rapid increase in the birthrate, an unprecedented shift of people from the country to the city, and a major wave of immigration from badly crippled Europe.

As a well-established urban centre, Toronto became a magnet to immigrants. They came in the thousands. And although they came to the Toronto area, it was mainly the suburbs, not the City, that gained new residents. For example, from 1946

Markham Rd. looking south from Ellesmere Rd. 1956-1973



to 1950 the populations of the municipalities of North York and Etobicoke more than doubled.

Predominantly rural, the suburban municipalities lacked the revenue base necessary to finance essential services for their new residents. Their need to attract industry to improve their revenue situation did little to engender a spirit of cooperation among them. As a result, there was little integration of either policies or service delivery and none of financing. Intermunicipal agreements generally proved difficult to arrange, let alone implement. Severe water shortages occurred in North York. Badly needed housing was held up through the lack of sewage treatment facilities. An atmosphere of urgency – even crisis – developed.

Many solutions to these problems were suggested, ranging from a proposal by the City of Toronto for amalgamation of almost the entire area into one municipality, to a proposal by the Town of Mimico to establish an area for the joint administration of certain area-wide services. None of these proposals was accepted by all the affected municipalities, and ultimately the matter had to be dealt with by the Government of Ontario.

## The Cumming Report and After

In 1950 and 1951 the Ontario Municipal Board, under the chairmanship of the late Dr. Lorne Cumming, Q.C., held an inquiry into the various proposals for coping with the mounting problems of the area municipalities. In its report to the government the Board rejected all the proposals put before it. Instead, it recommended the creation of a two-tier municipal federation with responsibilities divided between the tiers in a manner somewhat similar to the division of responsibilities in the county system in Ontario.

Specifically, the Cumming Report, as it came to be known, called for the creation of a federated system with a joint central authority, called the Metropolitan Council, made up of representatives from the thirteen municipalities in the area. It recommended that the Metropolitan Council be responsible for functions and services necessary to the development of the entire area as one urban community, that the councils of the constituent municipalities be responsible for local services, and that the two tiers share the responsibility for some functions.

While modifications were made to specific recommendations of the Cumming Report, the government accepted the concept of a two-tier system of local government for the City of Toronto and the surrounding area. In 1953 The Municipality of Metropolitan Toronto Act embodying those principles was passed, and in January 1954 the Metropolitan system of government came into being. There was no precedent in Canada for a two-tier system of Metropolitan government based on the principle of federation. The government realized that strong leadership would be required if the experiment were to succeed – leadership that was not entirely



dependent on the good will of the constituent local governments. Accordingly, the first chairman of the Metropolitan Council, Mr. Frederick G. Gardiner, Q.C., was appointed by the Government of Ontario. For these crucial pioneering years, Mr. Gardiner gave Metro the dynamic, forceful leadership that was required.

Besides being able to levy the constituent municipalities for revenue, under this new system the Metropolitan Council had exclusive responsibility for:

- the administration of justice
- borrowing and issuing debentures
- property assessment
- public transportation, except steam railways and taxis
- regional planning\*
- provision of homes for the aged, hospitalization and burial of indigents, and maintenance of neglected children.

The two tiers shared responsibility for:

- education†
- housing and development
- parks
- planning
- roads and traffic control
- sewage disposal
- water supply.

The constituent municipalities had exclusive responsibility for:

- fire protection
- garbage collection and disposal
- licensing and inspection
- local distribution of hydro-electric power
- policing
- public health
- general welfare assistance
- recreation and community services
- collection of taxes.

The Metro system was barely in place before revisions were made to it. In 1955–56 the question of a Metropolitan police force came under study by a committee of Metropolitan Council chaired by Mr. Charles O. Bick, then reeve of Forest Hill Village. The committee's report recommended the amalgamation of Metro's thirteen police departments, a recommendation that was implemented in 1957 by an amendment to the Act, which transferred policing to Metro. At the same time the

\* The concept of regional planning was recognized at the outset. The Act established the Metropolitan Toronto Planning Area, an area of approximately 720 square miles, two-thirds of which were outside Metro's boundaries. There were twenty-six municipalities in this planning area.

† Under a two-tiered system of Metropolitan and area school boards.



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responsibility for licensing businesses was taken from the constituent municipalities and given to Metro. In the same year the Metropolitan Council was given responsibility for air pollution control and civil defence.

Prompted by the extensive flood damage caused by Hurricane Hazel in 1954, the Government of Ontario established the Metropolitan Toronto and Region Conservation Authority in 1957. This body was charged with conserving the Metro watershed, controlling the use of floodplain lands, and developing the recreational potential of the valleys of rivers and streams in Metro and the surrounding area.

Also in 1957 the provincial government appointed a commission of inquiry composed of the chairman of the Ontario Municipal Board (Dr. Cumming) and four members of the provincial legislature to conduct public hearings on the Metro system and recommend any needed improvements. Its report in 1958 indicated widespread support for the two-tier system and it made no recommendations for major structural changes.

In 1961 the Metropolitan Council established a Special Committee on Metropolitan Affairs to review the possibilities for changes in the system. The committee, which was a committee of the whole Council, commissioned two research reports. The first, prepared by the Metropolitan Committee of Heads of Departments, provided a detailed analysis of administrative and financial functions within the system. The second report, prepared by the Deputy Minister of Economics and other provincial staff members, explored the ramifications of various options, including amalgamation, a five-municipality system, and a four-municipality system. Ultimately the Metropolitan Council was unable to agree on a request to the provincial government that the system be reorganized in accordance with any of the options. But the research conducted had provided an important data base for the future consideration of possible alterations in Metro's structure.

### The Goldenberg Report

As with most federations, the Metro system was at times an uneasy arrangement, and the early 1960s were such a time. The needs and priorities of the City and inner municipalities differed from those of the outer municipalities. There were still financial disparities, particularly in education. Because the population in the outer municipalities was growing much more rapidly than that of the inner municipalities, there was some question about the fairness of representation on Metro Council.

Recognizing the validity and importance of many of these questions, in 1963 the Government of Ontario appointed a royal commission under the chairmanship of Dr. H. Carl Goldenberg, Q.C., to review the structure and function of local government in Metropolitan Toronto, thus continuing the tradition of periodic review. The Goldenberg Report was released in 1965. It supported the continuation of a two-tier system of local government in Metropolitan Toronto but recommended some consolidation of its constituent municipalities, an increase in the authority and

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responsibilities of the upper tier, a reform of the system of political representation, and a Metro-wide uniform public school tax levy.

While the Government of Ontario accepted and endorsed all these principles, it rejected and modified some of the report's specific recommendations. For instance, the government reduced the number of municipalities in Metro from thirteen to six – the City of Toronto and the boroughs of East York, Etobicoke, North York, Scarborough and York – although Dr. Goldenberg had called for four area municipalities. The size of Metro Council was increased from twenty-four to thirty-two members plus the Chairman, with twelve from the City and twenty from among the five boroughs. In addition, the term of office for elected representatives was increased to three years from two, although the option of having a shorter term was retained for other municipalities in the province.

In accepting the principle of increasing the authority and responsibilities of the upper tier in the Metro federation, the government transferred a number of services from the area municipalities to Metro Council. One of the most significant moves was the transfer to Metro of the responsibility for public welfare under The General Welfare Assistance Act and related legislation. This shift served to equalize the burden of costs for welfare services which had been largely borne by the City of Toronto. The Metro Library Board was created to carry out a coordinating role with respect to libraries and to provide library services of an area-wide nature. Other services transferred to Metro included traffic engineering and garbage disposal.

Simultaneously the role of the upper tier was strengthened regarding education. The government reduced the number of public school boards in Metro from eleven to six, with boundaries to coincide with those of the six Metro municipalities. In addition to establishing an area-wide mill rate for education, the government strengthened the role of the Metropolitan Toronto School Board with respect to authorizing and financing both capital and operating expenditures for primary and secondary education. This was intended to reduce financial disparities among the boards and to equalize educational opportunities throughout the Metropolitan area. Paralleling changes to the Metro Council, suburban representation on the Metropolitan Toronto School Board was increased to reflect more accurately the distribution of population in the area.

The responsibility for air pollution control was transferred from Metro to the provincial level at this time, but in general the changes made effective 1 January 1967 resulted in a stronger upper tier in the Metro system.

## Recent Changes

Since the reorganization following the Goldenberg review, several major alterations have been made to The Municipality of Metropolitan Toronto Act and other legislation affecting Metropolitan Toronto. For example, in 1968 the provincial government took over responsibility for local courts and jails from all municipalities in

Ontario, largely to relieve them of the financial burden. In 1970 the government assumed the real property assessment function as part of a province-wide program to provide a common standard of measurement on which to base both property taxation and provincial grants to municipalities.

In 1972 the Government of Ontario passed The Ontario Municipal Elections Act, setting the term of office for councillors in all Ontario municipalities at two years. The purpose of that Act was to provide a uniform term of office, election date, and election procedure for all municipalities in the province.

In other changes, Metro's boundary was extended eastward to the Rouge River in 1973, and southward to the international boundary in Lake Ontario in 1976. The latter change ensures that local government in Metropolitan Toronto will have jurisdiction over any landfill sites developed along the lakeshore in the future.

When the three new regional governments were created to the west, north, and east of Metro in 1971 and 1974, they were given the responsibility for land-use planning within their boundaries and the Metropolitan Toronto Planning Area was correspondingly reduced. Then, in 1974, the Metropolitan Toronto Planning Board was abolished and its responsibilities were given directly to Metro Council.

In recognition of the increase in the size and the change in distribution of Metro's population, effective in January 1975, Metro Council was increased from thirty-two to thirty-seven members plus the Metro Chairman. North York's representation rose from six members to nine, Etobicoke's from four to five, and Scarborough's from five to six. The City of Toronto's representation remained the same (twelve members) as did that of York (three) and East York (two).

## Achievements of the System

The Metropolitan system of local government has served the Toronto area well and its achievements are many.

During the past twenty years the population of Metropolitan Toronto has more than doubled. A major factor contributing to this increase has been immigration: Metropolitan Toronto has consistently attracted more than 25 per cent of all immigrants to Canada. In addition, many people from other parts of Ontario and indeed of Canada have been attracted to Metro by the variety of its employment, and by its social and recreational opportunities.

To accommodate rapid growth was a challenge the Metropolitan system was able to meet without undue stress. Throughout this period Metro residents have enjoyed a high level of employment, expanding educational opportunities, housing that is the envy of many cities of the world, and an environment that has been safe yet stimulating. By any comparison, Metro residents have also enjoyed modest property taxes during this period.

Several features in its governmental structure have contributed to making Metro the lively, prosperous, progressive place it is. In particular, the Metro system was







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and is a single system of local government. Competition between Metro and the area municipalities has been kept to a minimum, partly because Metro Council is made up of local representatives. For the most part, the system has resulted in a healthy balancing of local interests and area-wide concerns. As a result, Metro has been able to establish sound planning, servicing, and development policies and to build a first-class transportation system to help implement them.

Municipal planning and development policies have certainly contributed to Metro's healthy central core which combines both residential and working environments. Since the Metro system was introduced, the population of the central city has remained relatively stable. Unlike many large American cities, rapid growth in the suburbs has not brought about a deterioration of the central core. Growth in Metro has been accompanied by a growth in employment opportunities in its outer municipalities, but no commercial centre has emerged to offer strong competition to the core. Development policies during the past quarter-century have favoured the concentration of office development in the downtown area and Metro's investment in transit and roads serving the core has supported them. During the same period many downtown industries have relocated in outlying areas on less expensive land, making the central city more desirable as a residential area today than it was some years ago. In turn, the stable residential areas in downtown Toronto have been credited with keeping it livable and relatively free of crime.

The existence of Metro government has made it possible to use the wealth of the entire area, and particularly that of the City of Toronto, to finance services needed in the outer municipalities to accommodate growth. The financial role assigned to Metro Council has served to equalize the availability and quality of services throughout the Metropolitan area.

The years of Metro's development have happily coincided with an extended period of almost unprecedented prosperity. With buoyant revenues from a rapidly increasing tax base and from ever-increasing provincial grants, local services have been quickly expanded and substantially enriched. Special purpose bodies within the Metro system have been in a position to take fullest advantage of the opportunities presented, unfettered by concerns about determining priorities among competing demands. Without the discipline of having to make allocations between such services as libraries, education, conservation, and transit, the special purpose bodies have individually devoted themselves to improving one single aspect of civic service (their own) almost regardless of cost. It is doubtful whether such service enrichments could have been accomplished with so little political difficulty had the financial circumstances not been so auspicious.

A system alone does not make for good government or for a successful community. A community is its people and their traditions. Early Toronto was known for its thrift, its cleanliness, its high regard for work and sober living, and the integrity it demanded from those in public life. These characteristics have had a major influence on present-day Metropolitan Toronto and the institutions that serve it. This

Commission would be remiss if it failed to recognize Metro's good fortune in attracting the competent, hardworking men and women of integrity who have served in its municipal institutions, both as elected representatives and as civil servants.

Metro has also been fortunate in attracting so many skilled immigrants who saw Canada as a place to build a new life for themselves and their families. Many of the roads in Metro, the transit system, commercial enterprises, and much of Metro's housing have been built with the skills and labour of immigrants. Many other newcomers have contributed to the artistic life of the community, and yet others to a host of commercial and professional endeavours. The costs of special education programs and reception services for newly arrived immigrants to Metro have been small when compared with the investment of their native countries to develop skills from which we in Canada have derived the primary benefit.

With its many strengths, Metropolitan Toronto can truly be described, as one observer put it, as "a big city that works."

## **Current Concerns**

### **Regional Planning**

Since 1954 the Metro system has amply proved that it can meet the demands of a rapidly growing urban area. But growth is no longer the prime concern: Metro's land area is now almost fully developed. The concern is rather whether the Metro system in its present form, or suitably modified, can continue through the late 1970s and the 1980s to serve effectively a relatively stable, mature, urban community which continues to be the centre of a large urban region.

It can be expected that, except in Scarborough, Metropolitan Toronto's future growth will come mainly from redevelopment and will be relatively small. It follows that any major growth attracted by Metro will actually occur in the regional municipalities that surround it. While Metro no longer has a voice in planning for the surrounding area, now more than ever before there is a great interdependence in the planning and development policies of the entire region.

Metro has long been recognized as the centre of a larger region which requires coordinated planning for orderly growth. This recognition is reflected in the unique arrangement that existed from 1954 to 1971, whereby the Metropolitan Toronto Planning Board exercised responsibility for land-use planning in the area beyond Metro's boundaries. It is also to be found in the provincial decision to replace this arrangement with the establishment in the early 1970s of new regional governments in the region surrounding Metro. These bodies were expected to provide strong planning policies to deal with development on Metro's rapidly expanding periphery.

The provincial government has also taken a number of direct actions to achieve coordination in the planning and development of the Toronto-centred region.

These began in the 1960s with studies of the region's transportation problems and the establishment of the GO commuter service in 1967. It was evident, however, that the region's problems involved more than transportation, and in 1970 the Government of Ontario made a policy statement entitled *Design for Development: The Toronto-Centred Region*. This long-range growth concept was aimed at taking some of the development pressures off the central part of the region by designating growth centres well beyond commuting range.

The publication of the Toronto-centred region concept was followed by a number of detailed studies, plans, and initiatives which refined proposals for various elements of the central part of the region. These studies included the proposed Parkway Belt – an integrated transportation, utilities, and recreation corridor extending from Hamilton to Newcastle. A set of proposals for the urban structure of the central part of the region (the Central Ontario Lakeshore Urban Complex) was developed by a task force composed of staff from the province and the regional municipalities of the area. These proposals were published in 1974 and envisioned a hierarchy of urban centres throughout the study area, with specific population and employment targets for each.

During this same period the provincial government undertook a number of direct initiatives that would influence the region's future development. Sewer and water servicing schemes for the South Peel and York-Durham areas have been developed and implemented. In 1974 the Toronto Area Transit Operating Authority (TATO) was established, with the basic responsibility to provide transit services that cross regional boundaries. Made up of a provincially appointed chairman plus the chairmen of Metropolitan Toronto and two regional municipalities in the area, TATO has taken over management of the GO commuter service and it provides information and assistance in the development of transit services generally within its region.

Since 1972 an informal Toronto-Centred Coordinating Committee has existed, made up of the chairmen of Metro and the regional municipalities and under the chairmanship of the provincial Treasurer. This committee has confined itself mainly to specific operational problems of concern to its members.

The need for coordinated and even joint planning and action by Metro and its neighbours has thus been recognized. But there is a growing conviction that some overall formal coordination of these efforts is needed if the orderly development of this dynamic part of central Ontario is to be assured.

## Finance

The mid-1970s have marked the end of a long and relatively comfortable period of municipal finance in Metropolitan Toronto. Until that time new construction and development ensured a quickly growing real property tax base to finance the local share of services. Ever-increasing provincial grants kept the local share limited to a



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point where new or enriched services could be introduced without burdensome increases in the local tax rate. And public expectations were such that municipal politicians were encouraged to approve increased expenditures at an unprecedented rate.

These circumstances no longer apply. As building land is used up, the increases in property assessment will slow markedly. The provincial government has already given notice that it cannot continue to increase grants at the same rate as in the last decade. Even if growth could be maintained at the same rate, it is doubtful if public opinion would support it with the same enthusiasm. There is now a more widespread questioning of the level of public spending and of the benefits of further growth, and a reassessing of the values of an urban community.

It is unlikely, then, that revenues will grow at the pace of the past two decades. Nevertheless, the cost of services is high and is rising. While a more restrained mood may be influencing public demand for new and enriched services, there is a general expectation that current levels will at least be maintained. And these levels are significantly higher than those of the 1950s. For example, public health was once confined to the prevention and control of communicable disease. Today it is concerned with the maintenance of community health generally, with control of industrial and environmental health hazards, and with a variety of matters that formerly were considered to be entirely within the private domain of personal habits and doctor-patient relationships.

From an examination of local expenditures in recent years, it is clear that the major increases in spending have been for such human services as education, health, and welfare. There is no reason to expect that these costs will level off unless a conscious effort is made to control them.

If rising costs cannot be contained, then more revenue will have to be found. The potential of the property tax to generate this revenue, always open to question, is even more uncertain than usual because Ontario is in the midst of major changes to the property tax system. The province is an unlikely source for major increases in assistance. Much has been made of the possibility of giving Metro direct access to additional tax fields such as personal income tax and the sales tax, but these proposals have many disadvantages and complexities, as is shown in chapter 10.

There will be no easy or obvious solutions to the financial problems of local government in Metropolitan Toronto, but it is clear that they require urgent attention.

## Changing Values

At the end of the Second World War, servicemen returned from overseas, immigrants poured into Canada from abroad, and Canada experienced one of the highest birthrates in its history. Jobs were needed for returning soldiers and immigrants; housing was needed for growing families; the war forced married women into the labour force and many never returned to full-time homemaking.



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Growth was the ethic of the early postwar years. People who had been deprived of consumer goods during both the depression and the war were busy accumulating them. To enable ordinary people to buy the ever-increasing number of products on the market, credit restrictions were gradually eased and borrowing became a way of life. While individuals borrowed to buy their cars, their television sets and later their snowmobiles, governments borrowed to provide public services.

Canadians soon became accustomed to a high standard of living. Recently, however, some have begun to question the desirability of all this growth. They see consumerism as inane and wasteful and argue that human values are being sacrificed for material gain. The most pessimistic warn that we are consuming at a rate that cannot be sustained because our non-renewable resources are rapidly disappearing. Such changes in public attitudes are certain to be reflected in attitudes about government. Indeed, they have already had a considerable influence on politics within Metro.

Another important characteristic of the last two decades has been the rapid urbanization of Canada's population. As farms became more mechanized and more productive, the demand for rural labour declined. As a result, people left rural areas for the cities which offered plentiful employment and other opportunities.

As more people moved to the cities, particularly to large centres such as Metropolitan Toronto, demands on local government increased. To provide the services and carry out the functions demanded of them, governments at all levels began making more and more intrusions into the daily lives of people. The resulting loss of personal liberty has generated a more cautious attitude on the part of the public toward the further expansion of government.

Changing values and circumstances, then, have had an impact on the traditional role of local government. Its function has become much more "political" than formerly, in the sense that it is increasingly making value decisions and choices about the future of the community rather than merely administering routine services under provincial supervision. This trend can be expected to continue.

This new role of local government was a major factor in the emergence of the citizens' movement in Metro in the 1960s. Many people were no longer prepared to accept the notion that a decision about building a subway or expressway could be made on the basis of economics and operational efficiency alone. They did not think local politicians should make such decisions without at least hearing the publicly expressed points of view of residents. Intense controversy arose over such questions as the need to provide better commuter transportation facilities versus the protection of residential neighbourhoods through which such facilities would pass.

The demand for a direct voice in local decision-making on the part of the individual citizens challenged Canada's tradition of representative government and left many elected representatives bewildered and angry. Although serious efforts have been made to accommodate citizens' concerns, many of these con-

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cerns remain, as does the question of how local government can best deal with them.

## Conclusion

This, then, is the context within which this Commission has made its inquiry. The Metropolitan Toronto that is the subject of this study is one that has already attained most of its potential physical growth. It is a municipality that can no longer expect to see its revenues from provincial transfer payments or from increased assessment continue to rise as they have done in the past. It is a geographic area that is increasingly influencing, and being influenced by, the regional municipalities on its borders. It is a community that is undergoing some fundamental reassessments of its basic values and its traditional political practices. It is one of the most populous, most dynamic, and most complex urban areas in the country, and one that has owed much of its success to its ability to change and adapt to new and different pressures and circumstances.

# **The Present Governmental System: An Assessment**

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In the previous chapter the background and some of the strengths of the Metropolitan Toronto system were outlined, as were some of the emerging forces that will play an important role in the future. In this chapter the Commission outlines a number of the major concerns about the Metro system that were brought to its attention in written submissions, during the course of the public hearings, and in the studies it has undertaken.

## **Clarity**

As a result of its examination, the Commission is persuaded that the organization of local government in Metropolitan Toronto is unnecessarily confusing to the average citizen. This is a serious problem, because local democracy is inevitably weakened when government is not commonly understood. Given the expanded role of government, this problem is particularly serious because the distrust and alienation which arise under these circumstances work against the goal of achieving greater citizen understanding of and participation in local affairs.

The two-tier system of local government adds complexity. The division of responsibilities between Metro and the area municipalities is often not well understood. But the two-tier system has served this area satisfactorily for more than two decades by providing a government that is at once local and metropolitan. The advantages of this system far outweigh the disadvantages of its complexity. This is not to say that the political system and the division of responsibilities cannot be clarified and simplified, and this report contains a number of recommendations designed to achieve that end.

The Commission's studies suggest that there are two additional factors contributing to public misunderstanding regarding local government in the Metropolitan area. The first is the number and diversity of local elected offices; the second is the fragmentation of responsibility among many special purpose boards and commissions.

## **The Diversity of Local Elected Offices**

Voters in Metropolitan Toronto now elect their representatives in one of the six area municipalities. All area councillors are directly elected. Of these, the aldermen are elected on a ward basis; in three of the six municipalities there are two aldermen per ward while in the other three, one alderman per ward. In addition, the mayor of each area municipality is elected at large, as are controllers in four of the six area municipalities.

The ballot is further complicated with positions for school trustees and, in some municipalities, for hydro or public utility commissioners. The number of elective positions for which a voter must exercise a choice ranges from five to eleven, depending on his local municipality of residence. In all, there are 189 locally

elected municipal positions in Metropolitan Toronto: 94 on the area municipal councils, 8 on hydro or public utilities commissions, and 87 on area boards of education. In addition to these positions, there are 21 trustees of the Metropolitan Separate School Board who are elected by separate school supporters throughout Metro. As a result, local ballots are frequently very long and often confusing to voters, many of whom choose not to vote as a consequence.

It is a distinctive feature of the Metro electoral system that the outcome of local elections not only determines the membership of local councils and many local boards, but also establishes the membership of the Metropolitan Council. Since its inception in 1954 the Metropolitan Council has been indirectly elected; its members have come from among those representatives elected to the area municipal councils. This membership is set out in The Municipality of Metropolitan Toronto Act, which establishes the number of representatives each municipality shall have and how these representatives are to be selected. Originally the selection of Metro Council members was relatively simple: the Council was composed of the mayor and the senior alderman from each ward in the City of Toronto, plus the mayors or reeves of each of the twelve suburban municipalities then in existence. Over the years, changes have been made in this system to reflect changes in population distribution in Metro and the reduction in the number of constituent municipalities. These changes have resulted in the rather complicated set of arrangements which now exists for selecting the members of Metro Council.

Representation of area municipal councils on Metro Council is currently determined in three ways:

- a) *Entirely by elected position.* In Etobicoke and York representation on Metro Council is determined by the local elections for mayor and controllers. All those and only those who win these positions become Metro councillors.
- b) *By elected position and size of electoral victory.* From the City of Toronto the members of Metro Council are the mayor, by virtue of his election to that position, and the senior alderman from each ward (who receives the greater number of votes).
- c) *By elected position and council choice.* In East York, North York, and Scarborough certain representatives are placed on the Metro Council by elected position (i.e., the mayor from East York, and the mayor and four controllers from North York and Scarborough). The remaining Metro representatives required to complete the representation to which the municipality is entitled are chosen by the local council.

The result of these provisions governing the membership of Metro Council is that in all cases except (a) above, the voter cannot know at election time whether he is voting for a local councillor or for a local and Metro councillor.

Clarity in the electoral process is essential because it is through voting in local





elections that citizens influence the general direction of public affairs in their municipality, and in the Metropolitan community as a whole. The Commission finds that the exercise of the franchise in Metropolitan Toronto is needlessly confusing. The voter is faced with a series of separate decisions: Who can best head the area municipality? Which candidates are most capable of undertaking the executive function? Which candidate(s) will most effectively represent the voter's ward? Who will make the best hydro commissioners? Which candidates for board of education will reflect the voter's views on the school system? As to the composition of Metro

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Council, the voter may be understandably unaware that he or she has a direct or indirect electoral influence on this at all. In the absence of political parties at the local level, the voter who wishes to be informed is obliged to do a good deal of research to learn about all the candidates and their views on both local and Metro affairs.

In the view of the Commission, this means that inevitably the voter is likely to make a number of relatively uninformed choices. Consequently, he may choose not to vote, or to vote randomly, or to vote only for some offices and not for others. In all probability this complexity and relative difficulty of getting information is a contributing factor to the comparatively low voter turnouts in municipal elections.

### **The Fragmentation of Local Governmental Responsibility**

Another characteristic of local government that adds to its complexity is the existence of special purpose authorities charged with particular governmental responsibilities. Some of these, such as health boards, planning boards, library boards, schools boards, and hydro and utility commissions, are found in every constituent municipality.\* Most of these are bodies which the municipality is compelled by provincial law to create. Many have wide-ranging policy and program responsibilities and considerable autonomy. At the Metro level, special purpose authorities such as the Toronto Transit Commission and the Board of Commissioners of Police have responsibilities which consume a sizable portion of the Metro budget. In all, there are more than one hundred local and Metro boards and commissions.

The many problems created by the existence of such organizations will be addressed throughout this report. The Commission is convinced that special purpose bodies contribute significantly to the unnecessary complexity of local government, obscuring as they do the locus of decision-making and responsibility for many local affairs.

### **Accountability**

One of the essential requirements of democratic government is that those who govern be clearly accountable to the electorate. This means that the powers and responsibilities of those who are elected or appointed must be clearly set out and generally understood. There must be a simple and direct process by which electors can express discontent with those who govern in their name, whether through elected or appointed office. There must be a clear and regular accounting by those in positions of trust for the exercise of the powers and the expenditure of the funds at their disposal. But the organization of government today is not always that

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\* An exception is found in the Borough of York, which does not have a hydro commission but retails electricity through a municipal department supervised by a committee of council.

simple, and as a result accountability is sometimes diminished. The Commission finds this weakness to be particularly apparent in the present means of selecting the members of Metro Council, in the fragmentation of government authority among special purpose bodies, and in the dependence of local government on grants from other levels of government to finance its activities.

### **The Metropolitan Council**

As noted above, Metro Council is not directly elected but is constituted by a series of rather complicated provisions set out in The Municipality of Metropolitan Toronto Act. In the view of the Commission, these arrangements result in Metro Council being neither directly accountable to the electorate nor directly accountable to the area municipal councils. This anomalous position of the Council is one of the reasons why Metropolitan issues do not play a significant part in the electoral process. Once in office, Metro councillors must divide their time and interests between local area and Metropolitan concerns. Two-thirds of the members of Metro Council not only sit on a local council and its committees but also have time-consuming local executive responsibilities. Indeed, all thirteen councillors who (with the Metro Chairman) constitute the Metro Executive Committee are also members of local executive bodies as well as having the usual responsibilities of being both local and Metro councillors.

In a survey of municipal councillors conducted by the Commission,<sup>1</sup> Metro councillors said they spent two-thirds of their time on local affairs, and one-third on Metro matters. In the same study it was found that only about one-quarter of Metro councillors say they consistently take a Metro view of the matters under debate; the majority try to combine the interests of their area municipality and the Metro community. It appears, then, that the need to seek re-election at the local level ensures that local affairs will dominate the time and attention of Metro councillors. The findings also suggest that voters are primarily concerned with local matters and that their choices at election time are little influenced by the impact they will have on Metro. In turn, this raises a serious question about the real democratic accountability of that very important and powerful public body, the Metropolitan Council.

### **Special Purpose Bodies**

A more complete description of the many special purpose bodies in Metropolitan Toronto can be found in chapter 6 as well as a discussion of some of the reasons behind their creation and the problems they present. Any discussion about accountability, however, must describe how special purpose bodies obscure accountability in the present system of local government.

The members of special purpose bodies in Metropolitan Toronto are subject to popular election only in the cases of local school boards, the Metropolitan Separate

School Board, the hydro commissions of East York, North York, and Etobicoke, and the public utilities commission in Scarborough. The membership of the remaining special purpose bodies is generally determined by councils, often under legislative guidelines set down by the provincial government, although in some cases other bodies have the right to appoint some of the members. Municipal councils have little discretion regarding the establishment of such bodies; in most cases their establishment is mandatory. While municipal councils appoint some or all of the members of such bodies, once appointed they often operate quite independently from the council.

Local special purpose bodies follow no consistent pattern of accountability. For example, at the area municipal level a two-thirds majority vote of council is required to override the negative recommendation of a planning board on an official plan amendment in some circumstances. Similarly, a board of health has legal autonomy even though its budget is reviewed by the local council. The expenditures of a library board, on the other hand, must be approved by council, and ultimate responsibility for boards of management of arenas and other municipal recreational and cultural facilities resides with the municipality. An area municipal council exercises little control over a hydro commission, although it must approve its capital expenditure plans.

At the Metropolitan level, the Board of Commissioners of Police and the Metropolitan Toronto School Board, whose budgets together account for 60 per cent of total Metro expenditures,\* have legal financial independence from Metro Council, which must raise revenue for them. The Metropolitan Toronto and Region Conservation Authority, nearly all of whose municipal revenues are provided by Metro Council, raises its budget through a levy over which Council itself has no control, although individual projects must receive municipal approval. The Toronto Transit Commission represents a different case, and is now largely under the policy influence and financial control of the Metropolitan Council as a result of its escalating deficits.

The profusion of special purpose authorities and their varying degrees of autonomy make it difficult for any citizen to know who to hold accountable for what. Election time brings no relief since so many of these bodies are appointed by council rather than directly elected. And confusion is compounded in instances where the term of office of members of some boards, such as planning boards, extends beyond the term of office of the councils that appoint them. In addition, local councillors cannot be held fully accountable for the decisions of those boards that, once appointed, operate with considerable financial and legal autonomy. Even when a council does have some control over special purpose bodies, it will seldom give their operations the same degree of scrutiny it devotes to its own responsibilities. Therefore, although the power of appointment provides some

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\* Not including expenditures financed by provincial education grants.



measure of control in theory, in practice a great many local issues are determined by bodies who are largely free of the need to account directly to either the voters or their elected representatives.

### Fiscal Accountability

A major aspect of accountability relates to fiscal matters. The principle is that the government which spends the money should bear the responsibility for raising it through taxation. Despite the general acceptance of this principle, it is well known that public finance in Canada today is characterized by massive intergovernmental transfers of money. This is particularly apparent in the field of municipal finance where, since the turn of this century, provincial grants to municipalities have constituted an increasing proportion of municipal revenue. In Ontario the history of provincial grants to municipalities is interesting, if uneven.<sup>2</sup> For the purposes of this discussion it is sufficient to point out that, regardless of their merits and problems, provincial transfers to local governments violate the principle of fiscal accountability by relieving the spender of public funds of the responsibility for raising them. The result is that the taxpayer is often confused as to who is accountable for the level of taxation and the spending priorities of local government. Provincial grants to the Metro system of government since 1968 have constituted an increasing percentage of gross municipal revenues. The greater proportion of these increases has been conditional rather than unconditional in nature.

When the Commission visited the United Kingdom during its inquiry to examine local government reforms there, it found widespread concern with the fact that grants from the national government now account for fully two-thirds of local government revenues in that country. Which level of government is accountable for expenditures in a situation such as this? While Metro has not reached this stage, the trend is in that direction. At a time when there is almost universal concern about the control of spending in the public sector, it is obvious that fiscal accountability must be enhanced.

### Representation

Because the main purpose of the electoral system is to provide a process through which citizens choose representatives to govern on their behalf, the issue of representation is of major concern to this Commission. In democratic government, the concept of representation contains two elements. First is the principle of *equal representation*, which means that all votes carry equal weight, and that all citizens have equal opportunity of access to their elected representatives. Second is the principle of *representativeness*, which means that elected bodies represent as much as possible the various characteristics of the community. The Commission finds that the present system of local government in Metropolitan Toronto requires some adjustments and reforms to reflect these two elements.

## Equal Representation

To achieve equal representation, the usual practice is to ensure that population groups of equal size have the same number of representatives. The Commission finds an unacceptable degree of variation in the range of ward populations throughout Metro. In a number of area municipalities some wards have twice the population of other wards in the same municipality, and average ward populations vary substantially from one area municipality to another. To some extent these variations result from an anticipated population growth of some areas, or the retention intact of a former municipality as a ward in a newly constituted municipality. These are important considerations. Of equal importance is the need to keep communities of interest within a single ward.

Thus there are valid and legitimate reasons to deviate from strict adherence to representation by population. When ward populations vary considerably, however, the opportunity of access by residents to their elected representatives varies as well. Access to government implies the capacity of residents to influence the decisions taken on their behalf by elected representatives. Obviously the ratio of population to elected representative is only one measure of access, but it is nevertheless a central component of it.

Representation on Metro Council should be proportional to population, and over the years it has been adjusted to reflect changes in the distribution of population. The latest adjustment took place in 1975, but it left residents of the boroughs of York and East York significantly overrepresented on Metro Council.

Given the current area municipal populations and boundaries, it would be difficult to make the membership of Metro Council more proportionally representative. In keeping with the concept of a federation, a substantial representation on Council must be given to each constituent municipality, regardless of size. The result is that the citizens of Metropolitan Toronto are unequally represented on Metro Council, and do not have equal access to Metro decision-makers.

## Representativeness

The second aspect of representation is the principle of representativeness. This means that as much as possible the councils in Metropolitan Toronto should reflect the many and varied groups and interests that make up the electorate. In a community as diverse as Metro, councils cannot be perfectly representative. It is important, however, to minimize the institutional and financial impediments to running for municipal office, so that the range of electoral candidates can be as wide and diverse as possible.

Research undertaken by the Commission confirmed the general observation that local politicians are not representative of the population as a whole. Although most occupational groups are found to be represented to a degree, there is a





disproportionately high number of self-employed business and professional people. The reason is not hard to find, of course, since the flexibility of employment arrangements and ease of re-entry are much greater for people in these relatively independent categories than for employees. Half of the councillors surveyed who had private businesses continued to work at them while they served in public office. In some of Metro's municipalities, local political office is thought to be a full-time occupation. In others it is definitely part-time. These perceptions appear to be influenced, although not necessarily determined, by the level of remuneration received by local politicians.

Another factor influencing representativeness is the cost of running for political office. Unlike federal and provincial politics, there are no formal party organizations at the municipal level to help candidates bear the cost of elections. In addition, there are no public campaign subsidy programs or provisions for the public to deduct contributions made to local candidates from income tax, although such schemes have been implemented recently to assist federal and provincial candidates. As was expected, the Commission's research showed that although campaign costs vary widely among the constituent municipalities in Metropolitan Toronto according to local traditions, municipality-wide elections are much more expensive than ward elections.

Adjustments in the procedures for determining the remuneration of local councillors and trustees, as well as a reduction of average ward size and the number of offices elected on a municipality-wide basis, would increase the likelihood that local councils will be broadly representative of the diversity of their populations.

## Responsiveness and Effectiveness

The qualities of clarity, accountability, and representation are important characteristics of democratic institutions. But they are meaningless if government is not also both responsive and effective. Democratic political institutions do not exist for their own sake; they are created to enable people to govern themselves. If government is incapable of acting responsively and effectively, it is impotent, and democracy cannot be said to exist.

The ability to take decisive action is a vital ingredient of local democracy, and one that has been too often neglected in examinations of the subject. This is not to denigrate the importance of ensuring that citizens understand their local political institutions and that government is accountable for its decisions and representative of the electorate. But although these characteristics will encourage the active participation of citizens in local affairs, it is unlikely that citizens will pay much attention to a government that lacks the power and discretion to take effective action on problems that concern them.

This argument was put forward more than a century ago by the French political theorist, Alexis de Tocqueville. His famous statement, "Municipal institutions con-



stitute the strength of free nations," was accompanied by the admonition that "without power and independence, a town may contain good subjects, but it can have no active citizens."

There are several constraints on local government in Metropolitan Toronto that lessen its ability to act effectively and independently. The most serious of these constraints are the extent of provincial statutory and regulatory controls over local government activities, the fragmentation of government authority among special purpose bodies, the dependence of local government on conditional grants, and the nature of the decision-making process of local government.

### The Statutory Framework

The role of local government has changed dramatically since the first general legislation on the subject, the Baldwin Act of 1849, was passed. Even so, many important legal principles and assumptions that governed municipalities in the nineteenth century remain with us still. The single most important of these principles is that local government is primarily an administrative institution to implement the will of the legislature of a senior and controlling level of government. In a comprehensive review of all local services provided in Metropolitan Toronto and prescribed by statute, it was found that only in one-fifth of these areas do municipalities exercise relative autonomy.<sup>3</sup> For the overwhelming majority of services, the scope of municipal policy discretion is limited severely by provincial standards and regulations, or by provincially designated special purpose authorities. Even in those cases where municipalities have considerable discretion, there is significant provincial involvement through the capital approval responsibilities of the Ontario Municipal Board, and through provincial regulations respecting environmental concerns.

It is the view of this Commission that improvements to the internal efficiency of municipalities are increasingly meaningless if the range of decisions to be implemented is unduly limited by policies and decisions already taken by the province. This is not to say that provincial controls and regulations do not have their role, but rather that the local political system within Metropolitan Toronto is now sufficiently sophisticated and mature that municipal government within the area should be given the authority and the responsibility to govern.

### The Fragmentation of Local Governmental Responsibility

Unlike special purpose bodies at the federal and provincial levels, many local special purpose bodies are in reality separate little governments themselves, unanswerable to the elected councils at their level. Considered individually, each special purpose authority has undoubtedly had some fair success in dealing with the specific subject or subjects over which it has authority. But as the interdepen-

dence of the many aspects of public responsibility is increasingly recognized, and as the local public sector in Metro moves from a period of rapid expansion to one of consolidation and conservation, what is required is a local capacity to respond to a wider public interest and to make an effective allocation of limited financial resources among competing claims. The planning and operation of various local activities in isolation from each other prevents this, and hence a continuing widespread reliance on special purpose bodies is no longer acceptable.

### Conditional Grants

All levels of government must somehow match expenditure priorities with limited financial resources; local government is no exception. What concerns the Commission is the degree to which the local priority-setting process is influenced by transfers of money, largely from the provincial level, to meet municipal revenue requirements. Sometimes these grants come unconditionally to the municipality; more often they are conditional grants, designed to meet a set of provincial priorities which may or may not be shared by those who actually spend the money or by those who are the intended beneficiaries.

In 1974, 82 per cent of all direct provincial transfers to local government (including school boards) in Metropolitan Toronto were conditional (excepting grants in lieu of taxes. Often conditional grants are directed to financing local special purpose bodies).

The main argument made to the Commission regarding conditional grants is that they distort local decision-making by providing significant incentives to spend on those programs for which provincial assistance is provided. The lure of subsidization is often enough for local government to change priorities and vary expenditure decisions. The terms "spending fifty-cent dollars" or "spending twenty-cent dollars" are commonly used. There is growing conviction that, because local needs are not uniform across the province, these conditional grants lead to a net increase in all government expenditures. This could arise if municipalities implement programs to take advantage of grants and simultaneously increase taxes to meet their own perceived needs. Once a conditional grant is established it becomes increasingly difficult to abandon it, because it will have created a clientele that is dependent upon it. Thus these grants can introduce rigidities and at the same time lead to large combined expenditures for the levels of government involved.

It was also pointed out to the Commission that the exact level of grant support is uncertain from one year to the next, and is often out of phase with the municipal fiscal year. This makes it difficult for municipalities to plan effectively and realistically. Detailed provisions establishing which costs will be shared and which will not tend to discourage local experimentation and innovation if the costs thus incurred are unlikely to be eligible for grant support. Furthermore, conditional grants carry

with them high administrative costs because of the elaborate and time-consuming auditing procedures that are inevitably required.

The Commission finds these arguments both valid and persuasive, and concludes that the present system of conditional grants reduces the capacity of local government to do its job properly.

## The Decision-Making Framework

In large part, provincial statutes determine the ways in which councils in Metropolitan Toronto conduct their affairs. In the judgment of the Commission these laws are in need of substantial revision if local government is to have a full opportunity to anticipate needs, plan its policies, and implement programs efficiently and economically.

The single most important legal impediment to the decision-making performance of local councils is a result of their being considered to have all their responsibilities delegated to them by the province whose creatures they are. Accordingly, they are not permitted to delegate their own powers and authority.

Unlike federal and provincial governments which may delegate some of their decision-making responsibilities to ministers of the crown, to bodies they create, or to their officials, municipal councils must exercise nearly all of their powers themselves. While this may be appropriate for municipalities in other parts of the province, it is most certainly not so for Metropolitan Toronto, which is the sixth largest system of government in Canada in terms of annual expenditures, and is charged with serving a population greater than seven of the ten Canadian provinces.

In addition, the term of office is too short. With a two-year term of office local politicians in this large and complex government system are never far from an election, and have little incentive, or indeed opportunity, to take a longer view, or to make and implement long-range policies.

## Economy

In the mid-1970s, a period of boisterous inflation following more than a decade of enormous expansion in the public sector, the need for economical government is accepted as never before in the postwar era. The Commission noticed this shift in values – from rapid growth and expansion to consolidation and economy – both in the public hearings and in the many meetings it held with government people. Reinforcing this trend, during the life of the Commission there was a dramatic financial crisis in the city of New York – a sobering event for all concerned with local government finance.

During the 1950s and 1960s expenditures of all levels of government soared. Those of local governments were no exception. In large part this was a result of a

realization of the benefits to be had from public programs and a continuing economic prosperity to underwrite the expense. At the local level, however, there were also some structural factors that reinforced this tendency. The insulation of certain public expenditures from general purpose councils because of special purpose bodies, and the use of conditional grants have been serious obstacles to overall financial planning at the municipal level. Certain arrangements to achieve equity in education in Metropolitan Toronto, for example, have inadvertently reduced the incentive for individual school boards to economize. Traditional forms of municipal budgeting have not provided municipal councillors with the tools required to assess the long-term financial implications of their day-to-day decisions. The present municipal boundaries have sometimes prevented the most rational and economic provision of public services. Also, the rapidly changing pattern of provincial-municipal grants and federal-municipal transfers has had negative side effects on municipal priority-setting and financial planning.

Economy in local government is therefore a vital concern of this Commission, and recommendations to help achieve it will be found throughout the report.

## Conclusion

The local government system in Metropolitan Toronto has accomplished a great deal to date and its achievements are widely recognized. As the community enters a more mature and stable period of development, however, the machinery of government must be refined to enable local decision-makers to adapt to the new circumstances facing them. Some of the Commission's recommendations imply that fundamental changes are required. Others merely suggest minor improvements to areas which are working well. Throughout its work, the Commission has taken the view that changes in the system can only be justified if their probable benefits will outweigh the hazards of tampering with a system that has served its citizens well.

## Notes

1. The Royal Commission on Metropolitan Toronto, *Political Life in Metropolitan Toronto: A Survey of Municipal Councillors* (Toronto: 1976), pp. 30-43.
2. For a review of much of this history, see J. Stefan Dupré, *Intergovernmental Finance in Ontario: A Provincial-Local Perspective*, The Ontario Committee on Taxation (Toronto: Queen's Printer, 1967).
3. Karl D. Jaffary and Stanley M. Makuch, *Local Decision-Making and Administration*, The Royal Commission on Metropolitan Toronto (Toronto: 1977), p. 72.



# The Recommended Approach

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This chapter outlines the major recommendations the Commission makes for structural alterations of local government in the Metropolitan Toronto area. Not every recommendation is dealt with here, nor are all the supporting arguments developed to the full. All these matters are dealt with in detail in other chapters of the report. It is the purpose here to give an overview of the Commission's main recommendations and of the broad outlines of its thinking.

In assessing the alternatives available and in coming to its conclusions the Commission has kept a number of objectives in mind. Certainly any suggested changes should help improve the system's performance based on the criteria mentioned in the preceding chapter. In addition, there are several other aims, not always compatible, that the Commission wants to pursue.

The first aim is to ensure a strong system of local self-government for the people of Metropolitan Toronto. Local government in Metropolitan Toronto must be seen as a system which is not just capable of the effective administration of various social, physical, and other services but which can also pinpoint and resolve all major local issues. It must become the effective single political focal point for issues important to the community.

The second aim is to devise a system that is suited to the particular needs of Metropolitan Toronto, without concern for whether the recommended structure may be adopted by municipalities outside its boundaries. While much of the general thinking on which this report is based could be applied to local government elsewhere in Ontario, the question of whether its recommendations should or even could be implemented elsewhere is not within the terms of reference of the Commission. The Metropolitan Toronto area has a number of characteristics that make it unique in Ontario:

- the population of Metropolitan Toronto is more than five times greater than that of any other municipality in Ontario; its population is greater than seven of the ten provinces of Canada and it contains within it the second, fourth, eighth and eleventh largest municipalities in Canada;
- the annual expenditures of Metropolitan Toronto and its constituent municipalities exceed those of all other jurisdictions in the country except the governments of Canada, Ontario, Quebec, British Columbia, and Alberta;
- Toronto is the capital city of Ontario and functions as a major financial, commercial, industrial, and cultural centre for Canada;
- most of Metropolitan Toronto's land area is now urbanized and most of its costly physical infrastructure is in place;
- although its area municipalities and neighbourhoods are diverse in many ways, Metropolitan Toronto functions as a single, integrated urban area;
- Metropolitan Toronto has had more than twenty years of successful experience with a two-tier system of local government; and



- the political and administrative leadership of its local government system is skilled, experienced, and well developed.

Given these factors the Commission has no hesitation in treating Metropolitan Toronto separately without considering the applicability of its suggestions to other parts of the province.

Whatever the structure of government within the boundaries of Metropolitan Toronto, it is obvious that it will have to be sensitive to its effects on the neighbouring municipalities and be able to deal with those governments to handle the broader regional issues and concerns that will inevitably arise. Metro is such a strong unit in economic and social terms that it is bound to have great influence on the surround-

ing areas, and it must have the capability to discharge its responsibilities arising in this connection.

The Commission is determined to recommend a system that will avoid the alienation that has occurred in some areas where the local government has become so large and so remote that it is neither understood by, nor accessible to, the majority of the citizens. The structure of government, the way people are elected, and the locus of responsibility for various services should all be sufficiently simple and clear that accountability and responsiveness will be enhanced. As much as it can, the structure should foster a sense of collective involvement and responsibility for the operation of government in the area.

The system of government should be capable of helping to equalize the availability and costs of essential services over the whole area. It would be quite unacceptable if there were wide differences in services or in levels of taxation within Metro. In addition, there must be a capability to provide and to coordinate those major services that are area-wide in nature. Major transportation facilities, for example, must be provided in an integrated fashion for the whole area.

At the same time, the structure must recognize and reflect the fact that one of Metropolitan Toronto's great strengths is that it is to a large degree a collection of healthy, individualistic neighbourhoods. The Commission has no intention of recommending a system that would lead to the breakdown of these local communities. Within the broader context of the Metropolitan area there should also be a capacity for the provision of services and the resolution of issues of a more local nature.

The need for greater scope for citizen involvement in local government was expressed repeatedly to the Commission by a wide range of individuals and groups. This is neither surprising nor unwelcome in light of the interdependence of urban residents and the expanded role of government in their daily lives. In fact, the Commission accepts it as an objective to be fostered within the framework of democratic representative government.

From the foregoing the Commission has drawn some conclusions about the basic design of the most advantageous structure of government for Metropolitan Toronto. First, the alternative of total amalgamation of all local government within the area is inappropriate. Several points should be mentioned in this connection.

The Commission noted that there was little public support expressed in submissions for the amalgamation option. In this respect a significant change can be noted between the submissions to this Commission and those to the Goldenberg Commission a decade earlier. There is a much wider recognition now than previously that a single government would be too large and impersonal to suit the tastes and traditions of the people of the area.

Accompanying the few suggestions supporting amalgamation that did come forward were recommendations for some formal structure of citizen involvement for local neighbourhoods. Mandatory schemes for citizen participation have not met

with great success where they have been tried, and the Commission has no reason to believe that the experience in Metro would be any different. The conclusion is that amalgamation inevitably would decrease the sensitivity of the entire system to issues and concerns of a very local nature. Since there are no strong arguments for administrative savings to be realized from such a move, the Commission has decided to discard the amalgamation option.

Another possible option for reorganization has been discarded. This is the abolition of the Metro tier. While the existence of two tiers undoubtedly complicates the system and gives rise to problems that would not occur if a single-level structure were adopted, the advantages of the two-tier system far outweigh these shortcomings. In the two decades of its existence Metro has proved its worth and no one has brought forward (nor has the Commission found) sufficient arguments to support the abolition of that level. The Commission has concluded, therefore, that it must address its attention to improving the existing two-tier Metro system rather than to finding some new (or old) device with which to replace it.

**Recommendation 4.1: The two-tier form of local government in Metropolitan Toronto be continued.**

## The Division of Responsibilities\*

The current division of responsibilities between the two tiers of government in the Metropolitan system is generally sound and able to meet the dual objectives of providing as much local autonomy as possible and ensuring that area-wide functions are carried out effectively. Certain modifications, however, would be beneficial.

It is the Commission's view that an appropriate balance of authority can best be achieved and maintained if responsibility for as many services as possible is assigned exclusively to one tier or to the other. This will reduce potential duplication and conflicts over jurisdiction. But because Metro is a single social and economic unit, a significant number of municipal responsibilities cannot be assigned solely to one level or the other. In these cases, the legislation must state clearly how the responsibility is to be shared and must define equally clearly the relationship between the two levels.

### Exclusive Responsibilities of the Area Municipalities

The following are now exclusive responsibilities of the area municipalities, and should remain so:

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\* Detailed discussion of the various responsibilities described in this section, and specific recommendations where necessary, can be found in the relevant chapters of Volume 2 of this report.



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- fire protection and fire prevention
  - recreation
  - building licensing, building construction licensing, demolition control, and the enforcement of building and maintenance codes
  - retailing of hydro-electric power

In addition, the Commission recommends in chapter 11 that Metro's limited zoning powers be eliminated, so that zoning would become an exclusive power of the area municipalities.

### Exclusive Responsibilities of Metropolitan Toronto

The following are exclusive responsibilities of the Municipality of Metropolitan Toronto, and should remain so:

- transit
- policing
- ambulance services
- all local borrowing
- licensing of businesses
- promotion of tourism, conventions, and industrial development

In addition, Metro's responsibilities in the field of social services should remain intact and be augmented by the transfer of administrative responsibility for The Family Benefits Act from the provincial government to the Municipality of Metropolitan Toronto (chapter 19).

### Shared Responsibilities

It is clear from the above that there are quite a few responsibilities that cannot be assigned exclusively to either of the tiers. There are at least three different types of Metro-local relationships embodied in the present Municipality of Metropolitan Toronto Act. The *arterial/local* or *wholesale/retail* type of relationship is used for such services as roads, sewers, and water supply. For these, the Metro and local tiers each have clear and easily defined responsibilities: Metro deals with major facilities on the basis of an area-wide program, while the local municipalities deal with local facilities in response to local priorities. Since the facilities are physical in nature, the resolution of conflicts about the connections between the two levels of services is mechanical and hence relatively easy.

The second type of relationship is more complex. It is the *supervisor/subordinate* relationship between Metro and the area municipalities, found in the present legislation regarding planning, housing policy, and capital expenditure. In this relationship, the policies of the area municipalities are subject to review by Metro and must conform to related policies at that level.

The third type of relationship, a *coordinating and equalizing* relationship, is found in the present educational system in Metropolitan Toronto. In this type of relationship, the Metro level acts as a coordinator and equalizer of resources, as well as provider of specialized central services for the whole area. In some fields, such as libraries, there has developed a coordinating function provided centrally through agreement of the constituent units. In the Commission's view, this type of cooperative effort should be recognized and encouraged.

The Commission suggests the following arrangements for shared services under the three types of relationships:

**Arterial/Local or Wholesale/Retail Relationship:** The present relationships for the following functions should continue:

- roads – Metro should have responsibility for providing and maintaining major arterial roads, while area municipalities should provide and maintain local roads and sidewalks.
- water supply and sewage treatment – Metro should continue to own and operate treatment plants and trunk lines, while area municipalities provide local lines and household connections, and collect revenues;
- parks – Metro should acquire and develop major regional parks, while area municipalities should acquire and develop local parks (area municipalities should have exclusive responsibility for all recreation programs);
- waste collection and disposal – area municipalities should collect waste, while Metro should dispose of it (responsibility for securing sanitary landfill sites should be transferred to the provincial government).

**Supervisor/Subordinate Relationship:** There are those functions for which the area municipalities should retain the prime responsibility, but for which Metro should be given some reserve power to approve local policies or to take action if the lower-tier municipalities fail to discharge their obligations fully or satisfactorily. These areas are:

- housing – Metro should be responsible for the direct provision of various forms of assisted housing, including family and senior citizens' housing but it should be able to delegate its responsibilities to the lower tier. Metro should have the power to establish targets for housing of various types in each of the municipalities and implement these objectives through its planning powers;
- planning – all local official plans, zoning by-laws, and development control by-laws should be in conformity with Metro's official plan, which must be adopted before a provincially established deadline. When this plan is in place, Metro will no longer need the authority it now has to control specific zoning adjoining arterial roads;
- capital expenditures – Metro should continue to do all local borrowing and

James Gardens



should retain its power of approval over the capital programs of the area municipalities.

***Coordinating and Equalizing Relationship:*** The Metro level now plays a significant role in education, libraries, and traffic management. Lower-tier responsibility for those functions remains essentially intact, but the Metro level is responsible for provision of central facilities needed by the entire area and for helping to coordinate the policies and services of the area administrations. These arrangements should continue, subject to the alterations in the status of special purpose bodies outlined later in this chapter and in chapter 6.



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Metro should have the power to establish similar arrangements in the following fields:

- human services planning – in cooperation with the area municipalities and other service providers, Metro Council should be responsible for developing an overall human services policy for Metropolitan Toronto and for appropriate research and funding strategies;
- public health and health services planning – in conjunction with an anticipated broader role in public health for the area municipalities, Metro should be given a limited power to help coordinate the community health policies and programs administered by the area municipalities. In addition, Metro Council should be designated as the District Health Council for this area;
- major recreation facilities – Metro should be able to provide capital grants to area municipalities for the development of major recreation facilities that will serve the entire Metro area; and
- parking – Metro should be responsible for the development of an overall parking policy and for its implementation through powers to regulate the rates of off-street parking and to establish penalties for illegal parking.

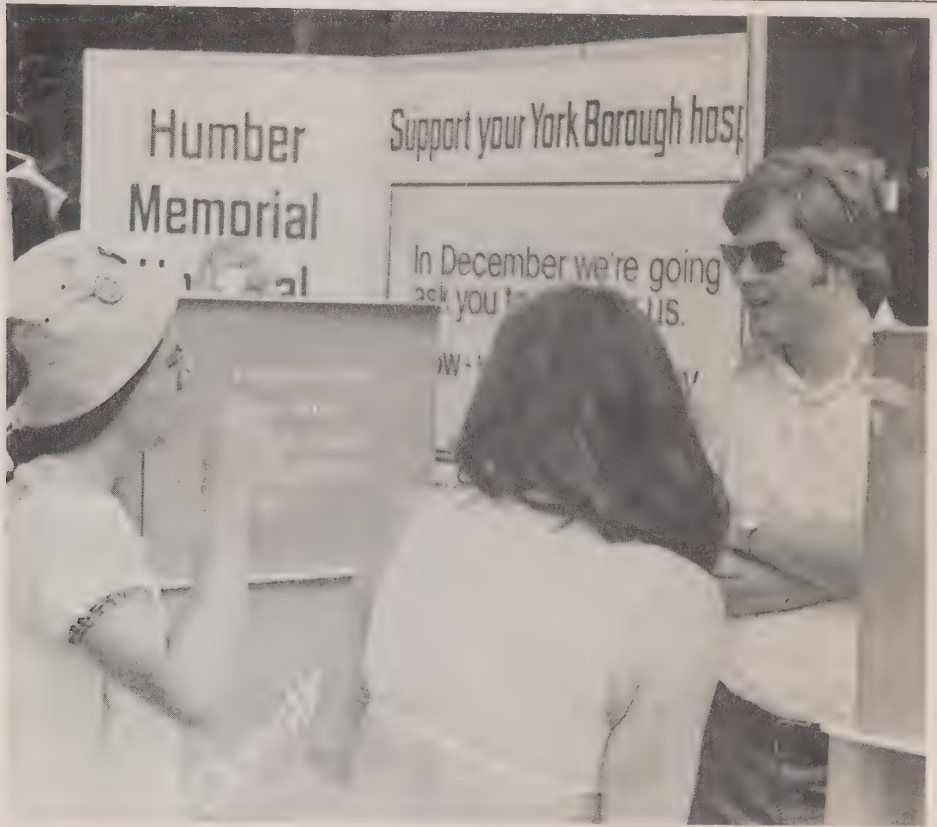
### **Transfer of Powers from the Provincial Government to the Metro System**

A further element in the set of reforms which is recommended to strengthen the Metro system concerns the transfer of some responsibilities from the provincial to the municipal level within Metropolitan Toronto. In this regard the Commission has recognized the capacity of the local government system in Metropolitan Toronto to carry out a number of functions autonomously, even though municipalities in other areas of the province may not be in the position to take on responsibility for these functions at the present time.

The proposals reflect the Commission's view of the most appropriate roles for the provincial and local levels of government in the Toronto urban area, and will ensure that citizens are better able to know who to hold accountable for the delivery and coordination of various types of service. The Commission's recommendations for change in this field fall into two categories: the elimination or transfer of provincial powers to supervise the way in which municipalities carry out their duties; and the transfer of functions which are currently provincial but which could be carried out more effectively by municipal government in the Metro area.

The chapters of this report dealing with social services, planning, and transportation describe the changes that are recommended to remove many of the trivial provincial controls over local administration of these services. But the most important area of change is the redefinition of the role of the Ontario Municipal Board in the fields of finance and planning. In chapter 10 recommendations are



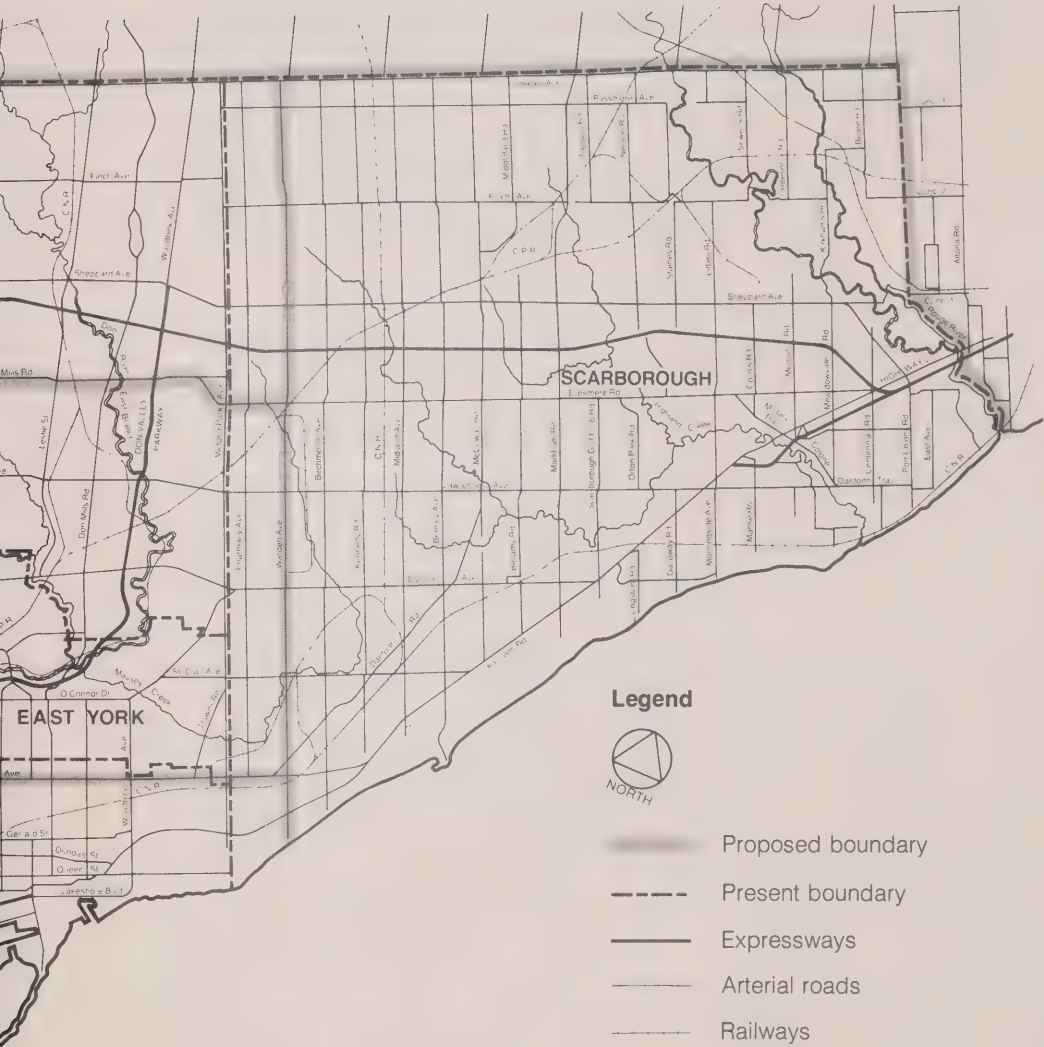


made which will ensure the continuation of the Board's responsibility to supervise local borrowing and capital budgeting, while removing much of the double-checking and administrative complexity which now unduly delay municipal projects in Metropolitan Toronto. In the land-use planning field, recommendations are made in chapter 11 to limit the role of the Ontario Municipal Board as it affects municipal planning in Metropolitan Toronto.

The Commission makes a number of recommendations for the transfer of provincial functions to Metropolitan Toronto and/or its constituent municipalities. The most important of these is the responsibility for delivery of financial assistance under The Family Benefits Act. It seems illogical to the Commission to make a distinction between short-term and long-term assistance and to assign them to two different levels of government, particularly when both types of assistance are funded on the same basis by the federal government, and when recipients of provincial aid must turn to Metro for other needs. It is therefore proposed in chapter 19 that administration of long-term assistance under The Family Benefits Act be transferred to the Municipality of Metropolitan Toronto. With this and related changes, the Commission expects that a greater degree of coordination of human

Map 4.1: Present and Proposed Boundaries





### Legend



NORTH

Proposed boundary

Present boundary

Expressways

Arterial roads

Railways

Scale 1:175,000



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services delivery within the Metropolitan area will be possible, with the Metro level playing a central role in this rationalization.

The Commission is also proposing a transfer of responsibility from the provincial to the local level in the housing field. The Commission concludes that the Municipality of Metropolitan Toronto is fully capable of developing and operating assisted public housing within its jurisdiction, and in chapter 12 it is recommended that Metro gradually assume this function, along with a more general responsibility for the development and implementation of housing policy. In recognition of the various capabilities that now exist in the area municipalities in the housing field, it is also suggested that Metro could delegate its housing responsibilities to an area municipality.

## Number and Size of the Constituent Municipalities

The literature on local government contains a seemingly endless debate about the optimum size of municipalities. This question must be resolved in Metropolitan Toronto in relation to the extensive service responsibilities which are assigned to the local municipalities under the allocation of powers outlined above.

Evidence given to the Commission indicates that the boroughs of East York and York are too small in population and financial resources to provide services of similar range and quality to those of the other area municipalities, particularly in fields such as education and public health. Indeed, both of these boroughs themselves suggested to the Commission that their territory could be expanded. The Commission agrees, and suggests that a target minimum population of 200,000 be adopted for each local municipality in the system to ensure an ability to provide a full range of specialized services.

Other submissions suggested that the three largest municipalities in Metropolitan Toronto (the City of Toronto and the boroughs of North York and Scarborough) are too large to permit their citizens adequate access to the local political and administrative systems. According to the Commission's staff study, *Political Life in Metropolitan Toronto*, the current arrangement makes extremely heavy demands on the time and energy of elected representatives in these larger municipalities. Some of this excessive burden may be due to the demands of the dual system of local-Metro representation (which will be addressed elsewhere in this report). Nevertheless, it is also probable that the governments of the larger local municipalities might be more responsive if they were reduced somewhat in size.

Aside from these considerations, some equalization in the size of the area municipalities in Metro is necessary if a greater degree of representation by population on Metro Council is to be achieved without making that council an unworkable size. This is also necessary for the development of an effective system of direct election for the Metropolitan Council.

The Commission suggests that the boroughs of East York and York be enlarged



by adding population and territory taken from the City of Toronto and the boroughs of North York and Scarborough. This should be done through a general realignment of municipal boundaries which would also eliminate some service problems and anomalies which have come to the Commission's attention. These proposals are outlined on Map 4.1 and a detailed description and rationale for them is contained in chapter 9.

The impact of these changes on the population of the area municipalities is summarized in Table 4.1.

**Table 4.1: Effect of Boundary Proposals on the Population of Area Municipalities, 1976**

	Present boundaries	Proposed boundaries
Toronto	678,103	672,500
North York	558,067	418,187
Scarborough	380,931	304,997
Etobicoke	293,464	293,464
York	139,612	221,722
East York	104,102	243,409
Total	2,154,279	2,154,279

The Commission is not recommending as large a reduction in the size of the City of Toronto as it is for the other two larger municipalities of North York and Scarborough. This is because it is convinced that a single, strong local government for the core city is necessary for the healthy political balance of the entire area. This need is sufficiently important to warrant the retention of the City's population strength.

**Recommendation 4.2:** Metropolitan Toronto continue to be made up of six area municipalities, subject to revisions in boundaries proposed in this report.

The Commission received submissions suggesting that all area municipalities be called cities or that the City of Toronto be designated a borough. The term "borough" is not found elsewhere in Ontario, having been devised in 1966 to describe the area municipalities within Metro that lie outside the City of Toronto. The term is now in common use and accurately describes these area municipalities as urbanized, primarily residential communities that will always have a strong mutual interdependence with the central city of Toronto. In the Commission's view, then, the semantic distinction between the City and the boroughs reflects an actual distinction in their nature and should remain.

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**Recommendation 4.3:** The constituent municipalities of Metropolitan Toronto be called the City of Toronto and the boroughs of North York, Scarborough, Etobicoke, York, and East York.

The boroughs are treated as townships under many provincial statutes and receive grants and powers that differ from those of the City. The boroughs no longer resemble townships in their population, level of urban development, or governmental competence. In fact, they are full partners in the Metro federation and all municipalities in this federation should be treated equally.

**Recommendation 4.4:** All distinctions between the powers and eligibility for grants of the City of Toronto and the boroughs be removed from provincial statutes and regulations.

## Selection of Members of Local Councils

There are currently wide variations in the ways that the councils of the area municipalities are composed and their executive bodies chosen. Some have directly elected boards of control and one has an executive committee chosen by the council; in one municipality the executive function is fulfilled by the whole council. All municipalities except the City of Toronto and the Borough of York have directly elected hydro or utility commissions. Some municipalities have two-member wards while others do not, and average populations per ward representative vary from a low of 17,550 in the Borough of York to a high of 38,833 in the Borough of North York.

Representative democracy works best when voters have a simple choice of a single representative for the governing body of the jurisdiction. Such a system maximizes the accountability of elected representatives to the electorate, and gives the council as a body the fullest possible flexibility in organizing its affairs to carry out its responsibilities. The rigorous application of this proposition to Metro would result in a single aldermanic seat for each ward, with the council choosing its chief executive officer or mayor, its executive body, and its committees for the operation of all local services.

In the case of the Metropolitan Toronto federation, there should be two deviations from this general principle. First, locally elected boards of education should be continued (but on the basis of one trustee per ward). The boundaries of these boards should be the same as those of the local municipalities to facilitate cooperation between the two bodies.\* The second deviation from the principle set out above is that mayors should continue to be directly elected by all the voters in a municipality. The reason for this is twofold. First, there is a well-established tradition of direct election of the chief municipal officer, a tradition that is widely accepted and approved. Second, the mayor plays an important role in represent-

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\* Further recommendations on education are contained in chapters 5 and 17.

ing the area municipality in the Metropolitan federation, and this function is greatly strengthened by his direct mandate from the electorate.

With the above exceptions, it is proposed in chapter 5 that the electoral system be simplified by:

- elimination of directly elected boards of control
- elimination of directly elected positions for hydro or other utility commissions
- establishment of standard, single-member wards with a population of about 26,000 throughout Metropolitan Toronto

### Area Municipality Executive Bodies

With the abolition of boards of control, the councils of area municipalities will have the power to choose their own executive bodies from among their own members. It is proposed in chapter 6 that the statutory powers of executive bodies be eliminated, and that councils have the authority to define the powers of these bodies, to establish their relationship to council, and to amend these arrangements as they see fit.

### Term of Office

The Commission is persuaded by the arguments presented to it that a two-year term of office is too short to permit adequate planning and policy-making by the elected representatives or informed assessment of their performance by the voters. Accordingly, it is proposed that the three-year term of elected office be reinstated throughout Metropolitan Toronto. In addition, the Commission recommends changing the election date from December to October to permit campaigning and voting in better weather conditions and to allow improvements in municipal budgeting. Details of these proposals are contained in chapter 5.

### Selection of Members of the Metropolitan Council

The Commission is impressed with the argument that the present system of indirect election to the Metropolitan Council does not provide a degree of accountability commensurate with the number and importance of the decisions taken by that body. This argument is supported by the Commission's staff study, *Political Life in Metropolitan Toronto*, which shows that the present electoral system encourages Metro representatives to limit the time and attention they give to their Metro Council responsibilities, notwithstanding the major policy questions which must be decided in that forum.

The present system's demands are generally recognized to be too heavy for the well-being of councillors and for the effective and accountable conduct of Metro

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business. The result is a political imbalance at the Metro level whereby the Metropolitan Chairman and civil service exercise a disproportionate influence compared to the area representatives.

It is therefore proposed that the members of the Metropolitan Council be directly elected from special Metro wards made up of groups of three local wards. The mayor of each municipality, however, should also continue to be a member of Metro Council. An allocation of one Metro councillor for each 77,000 of population is sufficient to provide accountability, and yet reduces Metro Council to a more effective size. Chapter 5 contains a detailed description of the proposed revisions to the electoral system, taking account of the boundary changes suggested by the Commission.

The term of office for Metropolitan councillors should be the same (three years) as for councillors elected to the area municipalities. In addition, the Commission proposes that the directly elected Metro councillors be full members of local councils to provide liaison between the two bodies. They should not be eligible for local executive or standing committee membership.

### **The Metropolitan Executive Committee**

The Metropolitan Executive Committee performs the same function as a local executive committee or board of control. Area municipalities are represented on it in rough proportion to their population. The Municipality of Metropolitan Toronto Act stipulates the membership of the Metro Executive Committee, which is made up of the Metropolitan Chairman and the mayors of the area municipalities, plus a number of members of local executive bodies selected by the size of their electoral victories or by a vote of their councils. This system was devised to ensure that all municipalities are represented on the Metro Executive. With the greater equalization of voting strength among area municipalities proposed in this report, decisions on the size, membership and powers of the Executive Committee can be left in the hands of the Council itself. This arrangement, which parallels the Commission's recommendations regarding local executive bodies, should enhance the cohesion between the Executive and the rest of Council.

### **The Metropolitan Chairman**

The Chairman of the Metro Council should be more accountable to the electorate than he currently is. The Commission thinks, however, that direct election of the Chairman on a Metro-wide basis is neither feasible nor desirable. It is not feasible because of the costs that would be involved in campaigning for such a position. It is not desirable because it violates the principle that the Council itself should select its own leadership. This principle underlies the Commission's recommendations regarding both local and Metro executive bodies. The only exception to the principle



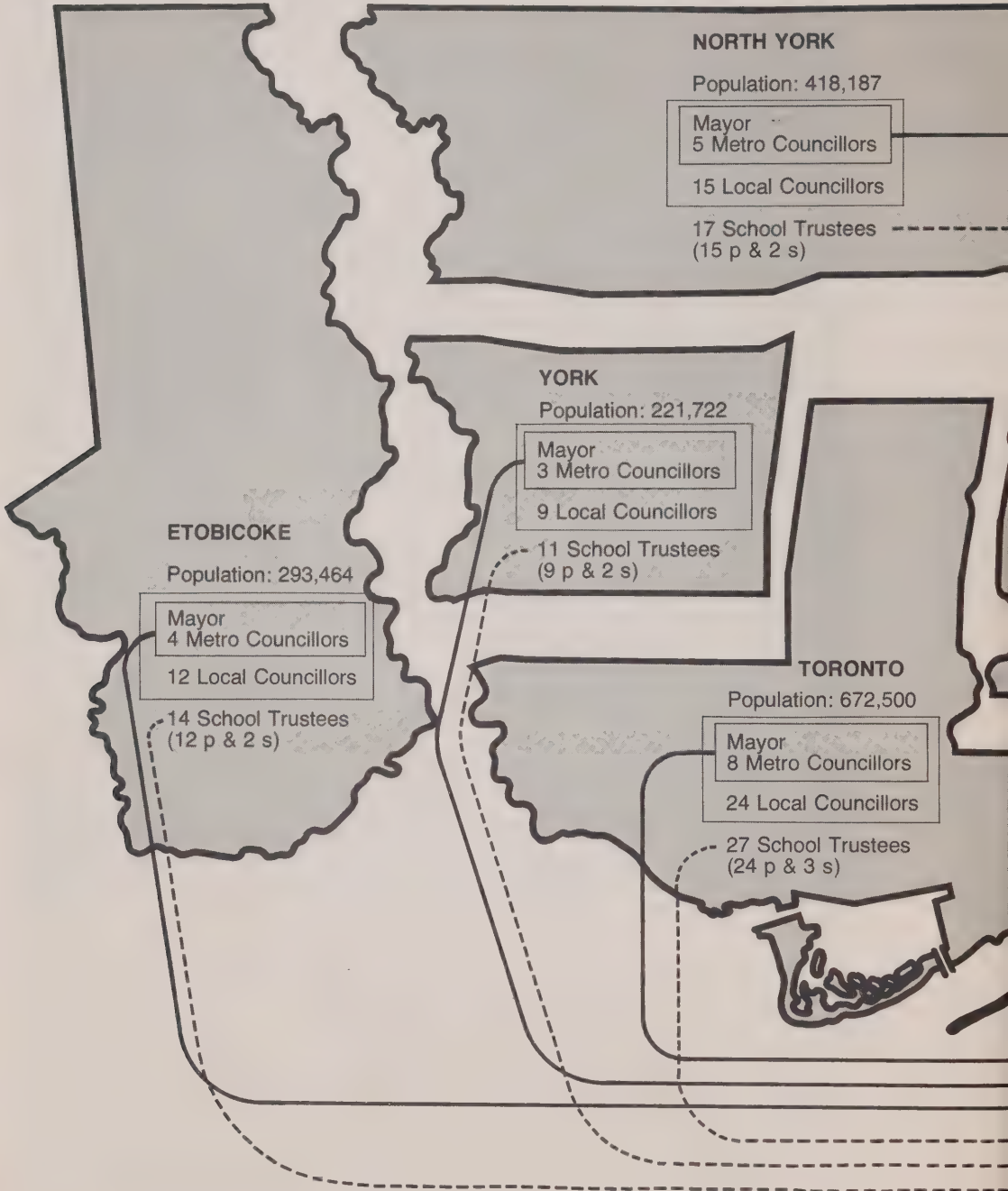


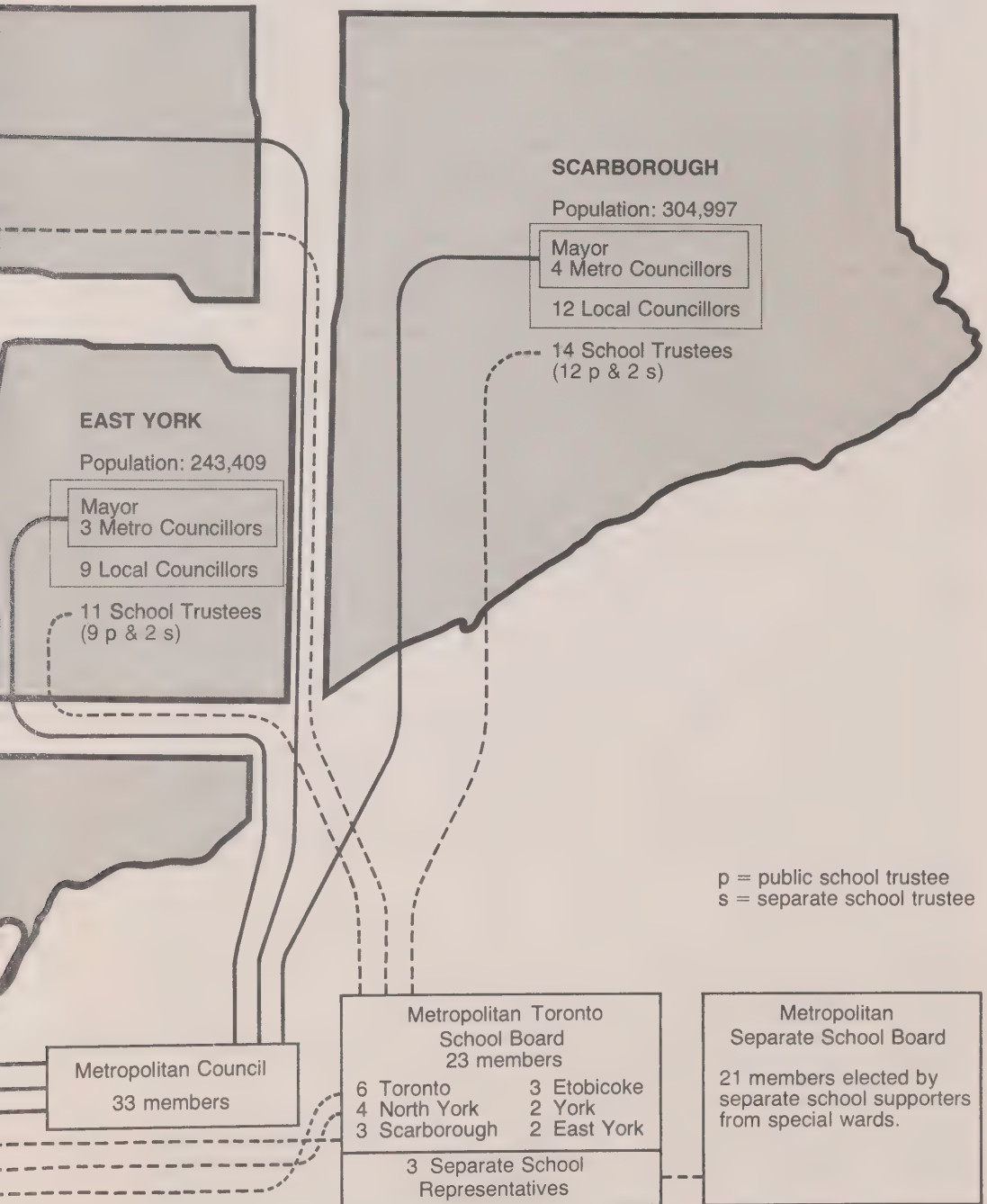
Michael Foster

is the proposed continued direct election of local mayors because of established tradition and the need to maintain the powerful political base that is indispensable in representing local views in the Metro Council. These reasons do not apply to the position of chief executive of the Metro federation.

Accordingly, it is recommended that the Metropolitan Chairman continue to be selected by the Council from among its own members. He should, however, also retain his local seat and be required to win election to Council again each term if he is to continue in office, although he would not be expected to take an active part in local council meetings. This arrangement parallels the situation at the federal and

Figure 4.1: Outline of Recommended Local Government Structure





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provincial levels of government, in which the leader of the government must win election in a constituency prior to taking executive office.

Figure 4.1 is a schematic illustration of the structural and electoral changes being proposed by the Commission.

## **Streamlining Local Decision-Making**

The Commission recognizes that it will be impossible to make significant improvements in the decision-making system without removing some of the constraints imposed by various statutes on the freedom of municipal councils to order their own affairs. Most important among these constraints is the prohibition from delegating any of their responsibilities, even though other levels of government may do so. In view of this prohibition it is not surprising that local councils are preoccupied with administrative details rather than with policy-making and that council meetings are seldom able to deal in depth with the broader issues.

The Commission recommends that the councils of Metropolitan Toronto and its constituent municipalities be given a broad and general power to delegate their responsibilities to the heads of council, executive committees, standing committees, senior officials, or other bodies. This power, combined with the political structure outlined above and coupled with a series of procedural and financial safeguards to prevent abuses of delegated authority, will equip councils with some essential tools of government they do not now possess. These measures will enable Metro's municipalities, if they so choose, to minimize the extent to which the full council is involved in minor administrative matters, and will permit them to take advantage of the kinds of policy development and service delivery mechanisms available to the senior levels of government.

The Commission has chosen not to prescribe the appropriate administrative organization for Metropolitan Toronto and its constituent municipalities. Rather, by removing the impediments to effective local decision-making, its recommendations will provide greater opportunity for local councils to organize their operations as they see fit.

## **Special Purpose Bodies**

The Commission has given careful attention to the question of special purpose bodies. Some briefs said that virtually all existing local special purpose bodies should be eliminated and their functions transferred to either Metro or the area municipalities, as may be appropriate. That view, which is also common in the literature on local government, holds that elimination of such bodies ensures full accountability of elected members of councils and enables councils to coordinate, plan, and budget for each department in accordance with overall community priorities. Such action would strengthen local governments in Metropolitan Toronto,



giving them full control over all the functions normally associated with the local level. The Commission is in general agreement with this argument, but it is aware of the hazards of interfering arbitrarily with existing organizational arrangements that are functioning effectively.

In certain circumstances there may be justification for the establishment of special purpose bodies for some aspects of municipal business. For example, such bodies can ensure that a council in a small municipality secures the services of well-qualified people to oversee the operation of a highly technical service. They can also provide a vehicle for participation by a number of capable people who might not otherwise be able to make a contribution to civic administration. These possible advantages will vary considerably, depending on the specific circumstances of an individual municipality. Thus it is important that whatever arrangement is made should suit local conditions. The body best able to judge such matters is the local council, which should not be forced into a particular arrangement by province-wide legislation that does not take sufficient account of differences in location, tradition, resources, and problems among municipalities.

The Commission therefore recommends in chapter 6 that the *authority* for functions such as transit, electric power, libraries, and planning lie with the relevant municipal councils in Metropolitan Toronto. Simultaneously, the councils should have the power to create such special purpose bodies as they see fit, to assign responsibilities to them, to establish the relationship between such bodies and council, and to alter these arrangements from time to time. There are three limitations proposed to this power. First, councils must have and retain budgetary control over such bodies in order to preserve the financial accountability of the elected representatives. Second, to ensure the clarity and accountability of the electoral system, councils should not be able to establish additional municipal elected offices for such bodies. Finally, the duration of such delegation of responsibility and the term of office of those appointed to exercise it should not extend beyond the term of office of the council. The result of this recommendation is that statutory provisions regarding such bodies as transit, police, hydro and public utility commissions, library, health, and planning boards, and a number of other bodies would be removed from legislation as it applies to Metropolitan Toronto and its constituent municipalities. The authority to decide the most appropriate way to administer such services would be transferred from the provincial government to the relevant municipal councils, subject to limitations designed to ensure that final accountability rests with the council.\*

There is one major exception to this general proposal: the retention of separately elected boards of education is recommended. The strong tradition of elected school boards in Ontario and the heavy workload of both trustees and councillors support this recommendation. So do the particular requirements of the separate

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\* More details are provided in chapter 6.



school system in Ontario. The Commission does, however, recommend changes in other aspects of educational structure and finance (including the gradual abolition of the Metropolitan Toronto School Board) in chapter 17.

There are three other special purpose bodies which are intergovernmental in nature, but which have important service responsibilities. These are the Metropolitan Toronto and Region Conservation Authority (MTRCA), the Toronto Area Transit Operating Authority (TATO) and the Toronto Harbour Commissioners. In chapter 14 the recommendation is made that the recreation functions of the MTRCA be transferred to Metro and the regional governments. Under proposals contained in chapter 8, the budgets and plans of the MTRCA and TATO would be subject to review before their consideration by the province by a new intergovernmental body, the Toronto Region Coordinating Agency. Chapter 16 contains some suggestions regarding the composition and role of the Toronto Harbour Commissioners.

## Financial Resources for Local Government in Metropolitan Toronto

During the course of the Commission's work there has been an extensive debate on the question of municipal finance. While it is generally held that local government in

Canada is seriously underfinanced given its current responsibilities, the Commission's studies indicate that Metropolitan Toronto's financial situation is healthier than that of most municipalities.

This is not to say that there is no cause for concern for Metro's financial future. The Commission agrees that the financial base for local government in Metropolitan Toronto should expand as the cost of services expands. The Commission concludes that the property tax – appropriately reformed – can fulfill this need and should remain as the main source of municipal revenue, to be complemented by broadened and less conditional provincial grants.

There are two reasons for this conclusion. First, there is mounting evidence that the property tax is not highly regressive; that is, it does not take a greater portion of the income of the poor than it does of the rich. This is the conclusion of several recent studies of the property tax in other jurisdictions, and it is probable that, if Ontario's Tax Credit system is taken into account, the property tax may be progressive in its incidence. Second, the Commission examined the major alternative revenue sources that might be considered for municipalities and found not only that these were fraught with administrative problems and potential for tax avoidance, but also that few of these sources of revenue would generate sufficient funds to be of major assistance to local governments in Metropolitan Toronto.

It will be impossible for the property tax to play its proper role within the municipal financial system unless it is reformed in a major way. This process began with the provincial decision to convert all property assessment in Ontario to a market value basis and continued with the work of the Commission on Property Tax Reform, which examined the fifteen proposals for changes in the property tax system made in the 1976 Ontario budget. One of the major causes of the current poor performance of the property tax is undoubtedly the fact that assessed values have not risen with property values. The result is that the property tax base has not kept pace with inflation, personal income, or the costs of municipal public services.

In this context, the Commission proposes measures in chapter 10 to ensure that Metropolitan Toronto and its constituent municipalities have a sound and certain financial footing. These measures include improvements in the property tax credit system and in provincial grants, redefinition of the role of the Ontario Municipal Board in approving municipal capital spending programs, and improvements in municipal financial planning and management in Metro.

## Conclusions

In this chapter a general approach to an improved structure for government in Metropolitan Toronto is outlined. To retain a focus on the overall system, the detailed basis and arguments for each proposal are left to be dealt with elsewhere in the report.

The Commission's proposals for strengthening the Metro system are evolu-

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tionary in that they are based on the sound experience of the past in the unique and successful experiment in two-tiered Metropolitan government that was initiated in 1954. In the Commission's view, the recommended changes are necessary and appropriate to equip the system to meet the major challenges of the foreseeable future.

It is not possible to predict exactly how these changes will work out in practice, particularly in Metropolitan Toronto's rapidly changing environment. It has become an informal tradition that the Metro system be reviewed regularly to facilitate its adaptation to changing circumstances. The Commission supports this practice and recommends that it be continued.

**Recommendation 4.5:** A general review of the Metropolitan system be instituted in not less than five nor more than ten years.









